HEALTH SERVICES AND DEVELOPMENT AGENCY
OCTOBER 28, 2015
APPLICATION SUMMARY

NAME OF PROJECT:	Gateway Medical Center Emergency Department at Sango
PROJECT NUMBER:	CN1507-027
ADDRESS:	Unaddressed site on the north side of Highway 76, 1,400 feet east of I-24 Clarksville, TN (Montgomery County), Tennessee 37043
LEGAL OWNER:	Clarksville Health System, G.P. c/o Chief Executive Officer Gateway Medical Center Clarksville (Montgomery County), TN 37215
OPERATING ENTITY:	N/A
CONTACT PERSON:	John Wellborn (615) 665-2022
DATE FILED:	July 27, 2015
PROJECT COST:	$ 10,700,000
FINANCING:	Cash transfer to applicant from parent company, Community Health Systems, Inc.
PURPOSE OF REVIEW:	Establishment of a satellite emergency facility with 8 treatment rooms

DESCRIPTION:

Gateway Medical Center (GMC) is a 270-bed acute care for-profit hospital seeking approval for the establishment of a 12,500 SF satellite emergency department (ED) containing 8 examination and treatment rooms to be located on the east side of I-24 at Exit 11, Clarksville (Montgomery County), TN 37043. The proposed ED is located approximately 6 miles south of Interstate 24 at Exit 4 which is the exit for Gateway Medical Center. The proposed satellite ED will be a full-service, 24-hour, physician-staffed satellite facility providing the same full-time emergency and diagnostic and

treatment services as the main hospital. Physician staffing will be provided by the same physician group who currently staffs Gateway's main campus emergency department. The proposed satellite ED service will be operated as a department of Gateway Medical Center.

This application will be heard simultaneously with NorthCrest Medical Center (NMC), CN1507-028. NMC is seeking approval for the establishment of an 8 room satellite Emergency Department (ED) to be constructed in a 1-story 10,700 square foot building on a 2.8 acre site near the intersection of Gateway Plaza Boulevard and Highway 76 on the east side of I-24 at Exit 11, Clarksville (Montgomery County), Tennessee, 37043. NMC'S proposed satellite ED is approximately 24 miles northwest of NorthCrest Medical Center's main hospital campus in Springfield (Robertson County), Tennessee. The proposed satellite ED facilities appear to be on opposite sides of state highway 76 from each other and are approximately 1,400 feet east of I-24 at Exit 11.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

Note to Agency members: There are currently no standards and criteria in the State Health Plan specific to emergency departments.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

For renovation or expansion of an existing licensed healthcare institution:

a. **The applicant should demonstrate that there is an acceptable existing demand for the proposed project.**

The applicant indicates in the next 5 years population growth in Montgomery and Stewart Counties will generate demand for an additional 8,579 ED visits, from 65,285 in 2015 to 73,864 in 2020. Based on the American College of Emergency Physician standard of 1,500 visits per treatment room, the applicant calculates the need for 8 additional treatments rooms from 41 in 2015 to 49 in 2020.

Note to Agency members: According to 2013 data from the Hospital Discharge Data Survey (HDDS) maintained by the Department of Health, GMC had an 86.8% market share of ED visits originating from the proposed 3-ZIP Code service area. Additionally further review of the HDDS indicates that in 2013 6,607 of the 3 ZIP code service area residents sought emergency care outside of Montgomery County. This does not include residents seeking emergency care out-of-state.

There are currently no criteria and standards specific to satellite emergency departments in the service area.

Based upon these general criteria for construction, renovation, and expansion, it appears that this criterion has been met.

b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Renovation and expansion of the existing emergency departments at Gateway Medical Center is not a more viable option than the proposed satellite ED. Expansion of 8 beds would necessitate major renovation of existing ED areas that cannot be accomplished without major disruptions. Plumbing and major HVAC upgrades would be required at the current ED location. In addition, expanding the ED outward would negatively impact parking and circulation drives around the hospital.

Note to Agency members: The expansion of the ED at the proposed satellite ED site in the 37043 zip code community of Sango is located approximately 6 miles from the main hospital campus.

The applicant refers to what appears to be an accepted industry standard when considering expansion of emergency department capacity, the American College of Emergency Physician (ACEP) guideline of 1,500 visits per treatment room for planning purposes. The applicant has exceeded the standard by an average of approximately 108% per year from 2012-2014 and expects to reach 105% of the standard at the main campus, and 103% at the proposed satellite ED by the year 2021. Please refer to the GMC historical and projected ED utilization on page 10 of this summary.

The applicant also uses the 1,500 guideline to determine the number of additional rooms needed in the primary service area based on ED visit utilization. For 2014, the applicant reports 63,693 visits at the 40-room main ED at GMC.

The product of the 2014 combined visits divided by the ACEP 1,500/room guideline amounts to an estimated existing demand for 42.5 ED rooms (63,693 visits/1,500 visits/room = 42.5 ED rooms), or an additional 2.5 ED rooms to meet existing demand based on 2014 estimated ED volumes.

As noted earlier the HDDS indicates that in 2013 6,607 of the 3-ZIP code service area residents sought emergency care outside of Montgomery County (does not include out-of-state residents). See the chart on page 9 of this

summary for detail on the migration patterns of residents of the 3-ZIP Code service area seeking emergency care.

There are currently no criteria and standards specific to satellite emergency departments in the service area.

Based upon these general criteria for construction, renovation, and expansion, it appears that this criterion has been met.

Staff Summary

The following information is a summary of the original application and all supplemental responses. Any staff comments or notes, if applicable, will be in bold italics.

The proposed project, as a satellite Emergency Department of Gateway Medical Center (GMC) (which is located 6 miles due north), will provide full service emergency care 24 hours-a-day, 7 days a week, to adult and pediatric patients who seek emergency services in the following three primary service area zip codes in Montgomery County:

- 37043 (Sango/Fredonia/East Clarksville),
- 37040 (Central-Clarksville/St. Bethlehem/Cumberland Heights), and
- 37042 (West Clarksville/Hwy 79-Dover Road/Fort Campbell Blvd.)

Please refer to the zip code service area map on page 24 of the original application for more detailed information.

The proposed satellite ED will be located on an unaddressed 3.2-acre site approximately 1,400 feet east of I-24 at Exit 11, on the north side of Highway 76. The satellite ED will be in a newly constructed 12,500 square foot building with separate canopied walk-in and ambulance entries. The facility will be equipped with CT, general radiology/fluoroscopy, ultrasound, and laboratory services.

Note to Agency members: NorthCrest Medical Center, CN1507-028, is a simultaneous review application that will be heard during the October 28, 2015 Agency meeting along with Gateway Medical Center Emergency Department at Sango. NorthCrest Medical Center proposes to establish a full service, 24 hour per day/7 day per week satellite emergency department to be located at an unnamed street address near the intersection of Gateway Plaza Boulevard and TN Highway 76 in Clarksville (Montgomery County), Tennessee 37043. The proposed facility will be operated as a satellite emergency department of NorthCrest Medical Center and will have 8 treatment rooms and will provide emergency diagnostic and treatment services. The project does not

contain major medical equipment, initiate or discontinue any other health service or affect the hospital's licensed 109 bed complement.

An overview of the project is provided on pages 5-6 of the original application. If approved, the satellite emergency department is projected to open in January 2017.

Ownership

- Clarksville Health System, G.P. d/b/a Gateway Medical Center is 20% owned by GHS Holdings Inc. and 80% owned by Clarksville Holdings, LLC.
- Community Health Systems, Inc. is the parent company of Gateway Medical Center with 100% ownership.
- An organizational chart is enclosed in Attachment A.4 and in Supplemental One.
- Gateway Medical Center is a 270 licensed bed acute care hospital. The Joint Annual Report for 2013 indicates GMC staffs 220 beds. Licensed bed occupancy was 37.1% and staffed bed occupancy was 45.6%.

The following provides the Department of Health's definition of the two bed categories pertaining to occupancy information provided in the Joint Annual Reports:

Licensed Beds - The maximum number of beds authorized by the appropriate state licensing (certifying) agency or regulated by a federal agency. This figure is broken down into adult and pediatric beds and licensed bassinets (neonatal intensive or intermediate care bassinets).
Staffed Beds - The total number of adult and pediatric beds set up, staffed and in use at the end of the reporting period. This number should be less than or equal to the number of licensed beds.

Note Agency Members: The applicant identified 4 urgent care centers located within the applicant's proposed three zip code service area. The applicant provides a table listing the 4 urgent care centers on page 39 of original application. A table comparing urgent care and emergency department services is provided on page 40 in the original application. A Certificate of Need is not required for an urgent care center.

Facility Information

- The total square footage of the proposed one-story project is 12,500 square feet. A floor plan drawing is included in Attachment B.IV.
- The proposed ED will contain a lab, 8 treatment and exam rooms, including one psychiatric secure exam/holding room and one isolation exam room.
- The proposed satellite ED will occupy a 3.22-acre tract of land. A plot plan is included in Attachment B. III.
- Besides the clinical treatment areas, the facility will include support spaces, a staff lounge, offices, a physician on-call room, and a workroom for Emergency Medical Services (EMS) Techs providing ambulance transport.

- The proposed satellite ED will be open 24 hours/day, 7 days/week, and 365 days/year.

Project Need

The rationale for this project provided by the applicant includes the following:

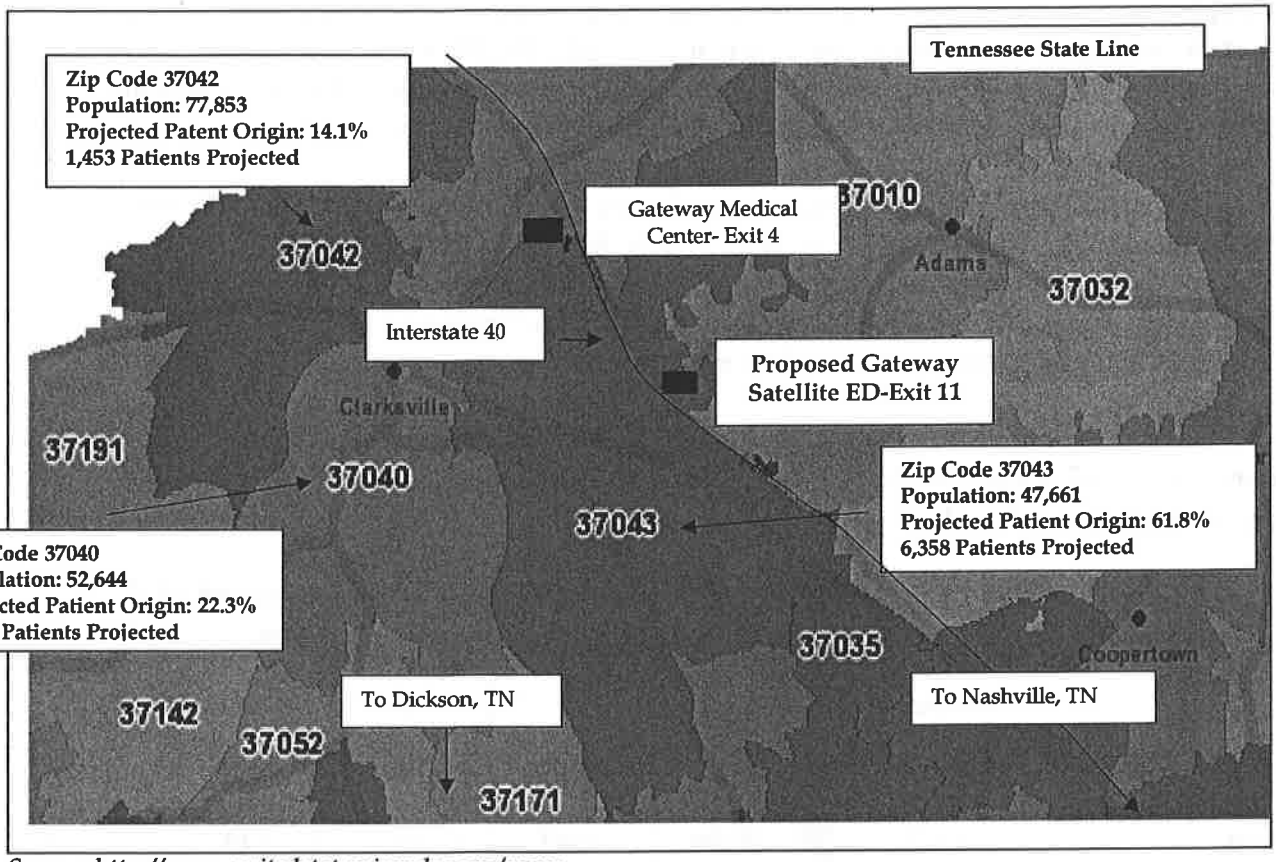
- The next 5 years will generate the demand for 15 additional treatment rooms at Gateway Medical Center using the 1,500 annual visits per room guideline.
- The hospital projects the current 41 ED treatment rooms will increase from 1,632 visits per ED room in 2015 to 1,847 visits per ED room in 2021.
- The addition of 8 additional ED treatment rooms are needed to hold the average ED room utilization between 1,500 to 1,600 visits per room.
- The proposed satellite ED will shorten drive times for patients living, working, or driving through areas south of the current hospital location.

Service Area Demographics

GMC's satellite ED's declared service area is Montgomery and Stewart Counties in Tennessee, and Christian County, Kentucky.

- The total population of the Tennessee 2 county service area is estimated at 204,727 residents in calendar year (CY) 2015 increasing by approximately 6.1% to 217,487 residents in CY 2019.
- The overall statewide population is projected to grow by 3.7% from 2015 to 2019.
- The latest 2015 percentage of the 2 counties population enrolled in the TennCare program is 16.3% in Montgomery County and 21.5% in Stewart County, averaging 16.6% for the 2 counties. The statewide TennCare enrollment percentage is 21% of the total population.

Gateway Medical Center Satellite ED Projected Patient Origin by Zip Code



Source: http://www.unitedstateszipcodes.org/maps

The above map of the Gateway Medical Center Satellite ED projected Year One patient origin by zip code reflects the following:

- The applicant is proposing to establish a satellite emergency department physically located in Zip Code 37043.
- Zip code 37043 (Unincorporated Sango, TN) has the highest projected patient origin of 6,358 patients, or 61.8%.
- Zip Code 37040 (Clarksville, TN) has the second highest projected patient origin of 2,297 patients, or 22.3%.
- Zip Code 37042 (Clarksville, TN) has the third highest projected patient origin of 1,453, or 14.1%
- The total 3 zip codes above will represent 178,158 residents in projected 2017-Year One of the proposed project.

Note to Agency Members: Fort Campbell Kentucky is located on the Kentucky-Tennessee state line between the cities of Hopkinsville KY (Christian County) and Clarksville TN (Montgomery County). Although nearly two-thirds of the 105,000 acres of the post is actually in Tennessee (Montgomery/Stewart Counties), the post

office is located in Kentucky, and the identification lies with that state. Fort Campbell supports the 5th largest military population in the Army and the 7th largest in the Department of Defense. In January 2014 the US Department of Defense reported 31,092 active military personnel and 53,116 family members located at Fort Campbell, Kentucky. Source: www.militay installations.dod.mil

The United State Department of Defense Military Health System has established a healthcare system, known as TRICARE. The facilities at TRICARE draw from military clinics and hospital, as well as civilian providers of health care services. According to the 2013 Joint Annual Report, 7,626 Champus/TRICARE enrollees visited the Gateway Medical Center Emergency Room.

Austin Peay State University (APSU) is also located in Clarksville (Montgomery County), TN. According to the APSU Admissions Department, 2015 fall enrollment is approximately 10,000 students.

Gateway Medical Center Demographic Characteristics of the proposed ED 3 Zip Code Service Area and Existing 2 County Service Area (Source: usa.com)

	37043 (location of proposed ED)	37042	37040	Montgomery Co.	Stewart County	Tennessee
Applicant's Projected Patient Origin (Year 1)	61.8%	26.5%	22.3%	N/A	N/A	N/A
Applicant's Current Patient Origin (Main ED)	16.2%	39.3%	31.3%	N/A	N/A	N/A
Population	39,945	66,916	44,294	29,599	13,324	6,346,105
Population Growth since 2000	26.58%	24.02%	45.15%	27.87%	7.71%	11.54%
Population Density/Sq. mile	353	1,088	478.16	316.88	27.03	151
Median Household Income	$57,384	$46,635	$44,022	$49,459	$40,200	$44,140
TennCare *(Emergency Dept. 2013 Payor Mix)	10.1%	16.0%	14.8%	14.5%	21%	21%
Medicare *(Emergency Dept. 2013 Payor Mix)	19.4%	10.7%	12.8%	13.6%	24.6%	N/A
Private Insurance *(Emergency Dept. 2013 Payor Mix)	43.5%	33.3%	32.9%	35%	26.3%	N/A
Median Home Price	$169,400	$119,700	$139,800	$139,000	$110,600	$138,700
Population in Poverty	4,845 (11.88%)	11,416 (17.08%)	8,711 (21.17%)	27,417 (16.2%)	2,627 (20.01%)	1,069,017 (17.3%)
White	33,667 (84.28%)	40,307 (60.24%)	30,756 (68.46%)	122,336 (70.99%)	12,605 (94.6%)	4,921,948 (77.6%)
Black	3,631 (9.09%)	17,466 (26.10%)	10,357 (23.05%)	32,982 (19.1%)	188 (1.4%)	1,057,315 (16.7%)
Hispanic	1,733 (4.34%)	7,739 (11.6%)	3,070 (6.83%)	13,752 (7.98%)	250 (1.88)	290,059 (4.57%)
Asian	855 (2.14%)	1,751 (2.62%)	732 (1.63%)	3,570 (2.07%)	137 (1.03%)	91,242 (1.44%)

The table below identifies ED visits in 2013 at Tennessee hospitals by residents of the 3-zip code primary service area (PSA) based on data from the TDH hospital discharge data system. The applicant's projected utilization in Year 1 (2017) is illustrated at the bottom row of the table.

Hospital ED Utilization by Residents of Applicant's Proposed 3-Zip Code PSA, 2013
Ranked by Service Area Dependence

Hospital ED	County	*Total Resident ED Visits 2013	Total Hosp ED Visits 2013	Resident ED Visits as % of Total Hospital ED Visits	Hospital Market Share in Service Area
Gateway Medical Center	**Montgomery**	**43,567**	**63,561**	**68.5%**	**89.5%**
Houston Community	Houston	141	5,076	2.8%	0.3%
TriStar Ashland City Medical Ctr.	Cheatham	281	11,201	2.5%	0.6%
NorthCrest Medical Center	**Robertson**	**467**	**25,710**	**1.8%**	**1.0%**
Vanderbilt	Davidson	2,037	119,225	1.7%	4.2%
St. Thomas West	Davidson	334	33,006	1.0%	0.7%
Skyline	Davidson	318	54,598	0.6%	0.7%
TriStar Centennial	Davidson	292	48,146	0.6%	0.6%
St. Thomas Midtown	Davidson	195	51,643	0.4%	0.4%
TriStar Summit	Davidson	106	50,384	0.2%	0.2%
TriStar Horizon	Dickson	134	36,284	0.4 %	0.3%
Other TN Hospitals	All Other TN Counties	822			
Total		**48,694**			
Satellite ED Visits-YR 1		***10,108***			

Sources: Tennessee Department of Health, HDDS; CN1507-027
**Does not include emergency department visits to Kentucky or any other out-of-state hospital emergency department.*

The table above reflects the following:

- There were 48,694 total ED visits by residents of the 3 zip code PSA at Tennessee hospitals in 2013.
- Hospital EDs used the most by residents of the 3 zip code PSA in 2013 included: Gateway Medical Center (89.5% of 48,694 total PSA resident visits) and Vanderbilt Medical Center (4.2% of 48,694 total PSA resident visits).
- Approximately 3,416 or 7.0% of the residents went to Davidson County hospitals for ED visits, the majority of which went to Vanderbilt University Medical Center.

- 68.5% of ED visits at the Gateway ED were from residents of the proposed 3 Zip Code service area and 1.8% of NorthCrest ED visits were from residents of the proposed service area.
- If approved, the applicant estimates that residents of the 3 zip code PSA could have approximately 10,108 ED visits at the proposed satellite ED in Year 1. This calculates to approximately 20.8% of their 48,694 ED visits at all hospitals in TN in 2013.

The applicant provided patient origin by zip code of residence for the GMC's main ED in 2013 and the proposed satellite ED in Year 1 as summarized in the table below.

GMC Main ED and Proposed Satellite ED Utilization by Residents of 3 Zip Code PSA

GMC Main ED Dept. Patient Origin, 2013			GMC Satellite ED Patient Origin, YR 1		
Zip Code	**2013**	**% of total**	**Zip Code**	**YR 1 2017**	**% of total**
37040	15,699	31.3%	**37040**	2,297	22.3%
37042	19,733	39.3%	**37042**	1,453	14.1%
***37043**	8,135	16.2%	**37043**	6,358	61.8%
Sub-Total	43,567	86.8%	**Subtotal PSA**	10,108	98.25%
Other <5%	6,607	13.2%	(Other <5%)	179	1.74%
Total	**50,174	100%	**Total**	10,287	100%

**Note: Zip code 37043 (Sango) is the site of GMC's proposed satellite ED.*

****Tennessee Department of Health HDDS** total does not include residents residing in Kentucky or other states.*

Sources: Tennessee Department of Health HDDS, CN1507-027

- The proposed zip code service area of 37042, 37040, and 37043 represented the top three zip codes for patient origin in 2013 for GMC.
- Approximately 86.8% of the patients treated at the main ED in 2013 resided in the 3 zip codes that comprise the primary service area of the proposed GMC satellite ED.
- The applicant expects residents of 37043 (Sango/Fredonia/East Clarksville), will account for approximately 61.8% of the satellite ED's 10,287 total ED visits in the first year of the project.
- In 2013, GMC's % of ED patients for the zip codes 37040, 37042, and 37042 in relation to total ED visits ranged from 16.2% to 39.3%.
- The proposed Satellite ED three zip code projected visits of 10,108 in Year One (2017) will represent 23.2% of the three zip code GMC main ED visits of 43,567 in 2013.

Historical and Projected Utilization

GMC Historical and Projected ED Utilization

	Actual (by levels of care)			Projected (by levels of care)				
	2012	2013	2014	2015	2016	Yr. 1 2017	Yr. 2 2018	2021
Main ED Visits	66,288	63,996	63,693	65,285	66,917	58,303	59,709	64,301
Main Campus ED Rooms	40	40	40	40	41	41	41	41
*Main Campus ED Visits/ Room	**1,657**	**1,600**	**1,592**	**1,632**	**1,632**	**1,422**	**1,456**	**1,568**
Satellite ED Visits						10,287	10,596	11,410
Satellite ED Rooms						8	8	8
*Satellite ED Visits Per Room						1,285	1,325	1,426
Total Visits	**66,288**	**63,996**	**63,693**	**65,285**	**66,917**	**68,590**	**70,035**	**75,711**
Total Rooms	**40**	**40**	**40**	**40**	**41**	**49**	**49**	**49**
Total Visits Per Room	**1,657**	**1,600**	**1,592**	**1,632**	**1,460**	**1,400**	**1,433**	**1,545**

Source: CN1507-027
**ACEP utilization standard is 1,500 visits per treatment room*

The utilization table above reflects the following:

- There was a 3.9% decrease in ED patient visits at GMC from 66,288 in 2012 to 63,693 in 2014.
- The applicant projects an increase of 3.0% in Satellite ED patient visits from 10,287 in Year 1 (2017) to 10,596 in Year 2 (2018).

- Combined the applicant projects an increase of 2.1% in ED visits from 68,590 in 2017 to 70,035 in 2018.
- In Year One of the proposed project, GMC's main ED will experience 58,303 emergency ED visits, averaging 1,422 per ED room; the proposed satellite ED will experience 10,287 emergency ED visits, averaging 1,285 ED visits per room; and combined total ED visits will total 68,590 averaging 1,400 visits per room.
- In Year 2021 the applicant projects 1,568 emergency visits per room at the main campus, and 1,545 emergency visits per room at the proposed satellite ED.

The table below reflects the following:

- Approximately 50.8% of the proposed satellite ED and main ED visits in 2017 (Year One) are expected to be recorded as Levels 1, 2, and 3 which are patients with lower acuity levels and less severe conditions than the more severe and complex patient conditions of Level 4 and 5.
- Level 1 represents non-urgent (needs treatment when time permits); Level 2 semi-urgent (non-life threatening); Level 3 Urgent (non-life threatening); Level 4 Emergency, (could become life threatening); and Level V (immediate, life threatening).

GMC Historical and Projected ER Utilization by Levels of Care

					Satellite Yr. 1	Satellite Yr. 2
	2013	2014	2015	2016	2017	2018
Main ED						
Level I	114	269	281	288	253	260
Level II	5431	4,519	5,350	5,484	4,805	4,950
Level III	27,864	21,259	27,506	28,193	24,705	25,446
Level IV	13,788	17,001	15,320	15,703	13,760	14,173
Level V	15,175	17,294	16,828	17,249	15,115	15,568
Sub Total	**63,372**	**60,342**	**65,285**	**66,917**	**58,638**	**60,397**
Satellite ED						
Level I					44	46
Level II					843	868
Level III					4,334	4,465
Level IV					2,414	2,486
Level V					2,652	2,731
Subtotal					10,287	10,596
Total Combined ED's	**63,372**	**60,342**	**65,285**	**66,917**	**68,925**	**70,993**

Source: CN1507-027

Project Cost

Major costs are:

- Construction Cost (including contingency), $5,486,309, or 51.3% of the total cost.
- Moveable Equipment-$2,500,000, or 23.3% of total cost
- Non-medical Equipment- $1,115,000.00 or 10.4% of total cost.
- For other details on Project Cost, see the Project Cost Chart on page 47 of the application.

The total construction cost for the proposed hospital ED is $405 per square foot. As reflected in the table below, the construction cost is above the 3rd quartile between costs of $298.66 per square foot of statewide hospital construction projects from 2012 to 2014.

Statewide
Hospital Construction Cost Per Square Foot
Years 2012-2014

	Renovated Construction	New Construction	Total construction
1st Quartile	$110.98/sq. ft.	$224.09/sq. ft.	$156.78/sq. ft.
Median	$192.46/sq. ft.	$259.66/sq. ft.	$227.88/sq. ft.
3rd Quartile	$297.82/sq. ft.	$296.52/sq. ft.	$298.66/sq. ft.

Source: HSDA Applicant's Toolbox

Please refer to the square footage and cost per square footage chart on page 11 of the application for more details.

Financing

A July 8, 2015 letter from James W. Doucette, Senior Vice President of Community Health Systems, confirms that the parent company has sufficient cash reserves to fund the proposed project.

The applicant submitted audited financial statements of Community Health Systems, Inc. and Gateway Medical Center for the period ending December 31, 2014. Review of the Consolidated Balance Sheets of these entities revealed the following:

Consolidated Balance Sheet Variables of CHS and Gateway Medical Center

Parent	Cash & Cash Equivalents	Current Assets	Current Liabilities	Current Ratio
Community Health Systems, Inc.	$509,000,000	$5,566,000,000	$3,589,000,000	1.55 to 1
Gateway Medical Center	($767,578)	$31,818,737	$15,637,419	2.03 to 1

Source: Excerpted from Attachment C. Economic Feasibility-10 of the application.

Note to Agency members: Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Historical Data Chart

Gateway Medical Center Hospital Emergency Department

- According to the Historical Data Chart the GMC Emergency Department experienced profitable net operating income results for the three most recent years reported: $10,724,616 for 2012; $10,954,953 for 2013; and $11,303,368 for 2014.
- Average Annual Net Operating Income less capital expenditures (NOI) was favorable at approximately 46.6% of annual net operating revenue for the year 2014.

Gateway Medical Center

- According to the Historical Data Chart, GMC experienced profitable net operating income results for one of the three most recent years reported: $3,459,748 for 2012; ($2,878,023) for 2013; and ($7,593,856) for 2014.
- Average Annual Net Operating Income less capital expenditures (NOI) was unfavorable at approximately -5.6% of annual net operating revenue for the year 2014.

Projected Data Chart

Proposed Satellite ER

The applicant projects $34,019,109.00 in total gross revenue on 10,287 ED visits during the first year of operation and $36,442,611 on 10,596 ED visits in Year Two (approximately $3,439 per visit). The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal $470,883 in Year One decreasing to $390,349 in Year Two.
- Net operating revenue after bad debt, charity care, and contractual adjustments is expected to reach $4,651,597 or approximately 12.8% of total gross revenue in Year Two.
- Charity Care calculates to 34 ED visits in Year One and 33.6 ED visits in Year Two.

Gateway Consolidated Emergency Department

- Net operating income less capital expenditures for the applicant will equal $12,076,164 in Year One increasing to $13,450,850 in Year Two.
- For additional information, please refer to page 53R of the original application.

Gateway Medical Center

- The applicant projects $1,048,967,618.00 in total gross revenue during the first year of operation (2017) and $1,122,301,385 in Year Two (2018).
- Net operating loss less capital expenditures for GMC will equal ($5,789,931) in Year 2017 decreasing to ($3,163,603) in Year 2018.

Charges

In Year One of the proposed project, the average emergency room charges are as follows:

- The proposed average gross charge is $3,307/ ED visit in 2017.
- The average deduction is $2,884/ED visit, producing an average net charge of $422/ED visit.

Medicare/TennCare Payor Mix

- TennCare- Charges will equal $8,157,782 in Year One representing 24% of total gross revenue.
- Medicare- Charges will equal $7,147,415 in Year One representing 21% of total gross revenue.

Staffing

The applicant's proposed direct patient care staffing in Year One includes the following:

Position Type	FTEs
Registered Nurses	14.7
ER Tech	6.3
EVS Tech	1.4
Radiology Tech	1.0
CT Tech	4.2
Ultrasonographer	4.2
Medical Tech	6.3
Total	**38.1**

Source: CN1507-027

Licensure/Accreditation

GMC is licensed by the Tennessee Department of Health, Division of Health Care Facilities. The last survey conducted by the TDOH occurred May 13, 2009.

GMC is accredited by The Joint Commission. A copy of the October 5, 2012 Joint Commission Survey is located in Attachment C, Orderly Development 7 (C).

The applicant has submitted the required corporate documentation and real estate title. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency office.

Should the Agency vote to approve this project, the CON would expire in **three** years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT

There are no other denied applications or outstanding Certificates of Need for this applicant.

Note: Community Health Systems, Inc. has a financial interest in this project and the following:

Letters of Intent

University Medical Center (d/b/a McFarland Hospital and McFarland Specialty Hospital) filed a Letter of Intent on October 8, 2015 for the consolidation of all beds operated pursuant to its 245-bed hospital license from their satellite location at 500 Park Avenue, Lebanon, TN 37087 to the main campus at 1411 Baddour Parkway, Lebanon, TN 37087. The consolidation includes the relocation of the following three units; 1) a 16

bed behavioral health unit, 2) a 16 bed mood disorder unit, and 3) a 10 bed inpatient rehabilitation unit. The proposed project also includes renovation of other areas of the main campus building (including surgery and endoscopy). The estimated project cost is **$22,500,000.**

Pending Applications

Tennova Healthcare—Lafollette Medical Center, CN1508-032, has a pending application that will be reviewed under Consent Calendar at the October 28, 2015 Agency meeting. The applicant is seeking approval for the initiation of a mobile Extra-Corporeal Shockwave Lithotripsy (ESWL or Lithotripsy) service up to 3 days per week using existing operating room resources on its main hospital campus located at 923 Central Avenue (Campbell County), TN. The project involves the lease of an existing mobile ESWL unit. The project does not involve any renovation or new construction. The estimated project cost is **$440,203.00**.

Outstanding Certificates of Need

Tennova LaFollette Health and Rehab Center, CN1505-021, has an outstanding Certificate of Need that will expire on October 1, 2017. The proposed project was approved at the August 26, 2015 Agency meeting to renovate approximately 26,350 of the existing 35,317 square foot facility at a construction cost in excess of $2 million. The project focuses on cosmetic finishes, changes in nurse's stations, patient day rooms and patient dining areas of the building and does not involve changes to any existing services or the licensed bed complement. **The estimated project cost is $3,202,189.** *Project Status: The project was recently approved.*

Metro Knoxville HMA, LLC d/b/a Tennova Healthcare, CN1408-033A, has an outstanding Certificate of Need that will expire on January 1, 2019. The project was approved at the November 19, 2014 Agency meeting for the partial replacement and relocation of 272 of 401 beds from Physicians Regional Medical Center from 900 E. Oak Hill Avenue, Knoxville (Knox County) to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard, Knoxville (Knox County), a distance of approximately nine (9) miles from the current facility. The estimated project cost is **$303,545,204.00.** *Project Status: Per a progress report provided on 07/31/2015 by a representative for Tennova Healthcare, preliminary due diligence was completed in March of 2015. Since that time, more in depth site evaluation has been initiated, including site utility and wetlands assessment. In June 2015, the land purchase option for the campus was extended for an additional 6 months to allow for completion of the due diligence. It is anticipated that the option will be exercised and the land purchased in early 2016. Site construction is projected to start in May 2016 with a project completion date of July 2018.*

Metro Knoxville HMA, LLC d/b/a Tennova Healthcare, CN1406-034A, has an outstanding Certificate of Need that will expire on January 1, 2019. The project was approved at the November 19, 2014 Agency meeting for the replacement and relocation of the 25 bed nursing home which is located in Physicians Regional Medical Center, The nursing home proposed to relocate from the hospital from 900 E. Oak Hill Avenue, Knoxville (Knox County) to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard, Knoxville (Knox County), a distance of approximately nine (9) miles from the current facility. The estimated project cost is **$6,454,796.00.** *Project Status: Per a progress report provided on 07/31/2015 by a representative for Tennova Healthcare, preliminary due diligence was completed in March of 2015. Since that time, more in depth site evaluation has been initiated, including site utility and wetlands assessment. In June 2015, the land purchase option for the campus was extended for an additional 6 months to allow for completion of the due diligence. It is anticipated that the option will be exercised and the land purchased in early 2016. Site construction is projected to start in May 2016 with a project completion date of July 2018.*

Dyersburg Regional Medical Center, CN1403-007A, has an outstanding Certificate of Need that will expire on September 1, 2017. The project was approved at the July 23, 2014 Agency meeting for the expansion of Diagnostic Cardiac Catheterization Services, currently limited to diagnostic procedures, to include interventional (therapeutic) cardiac catheterization procedures at Dyersburg Regional Medical Center, Dyersburg (Dyer County), Tennessee. The estimated project cost is **$367,763.** *Project Status: Per a status update provided on July 20, 2015, some equipment has been purchased and is on-site, while other equipment has been ordered and will arrive soon. An off-site training schedule has been developed with Methodist Health Care in Memphis.*

HMA Fentress County Hospital, LLC d/b/a Jamestown Regional Medical Center, CN1211-055A, has an outstanding Certificate of Need that will expire on April 1, 2016. The CON was approved at the February 27, 2013 Agency meeting for the conversion of 6 existing acute care hospital beds to swing beds located at 436 Central Avenue West, Jamestown (Fentress County). The estimated project cost is **$30,677.00.** *Project Status: Per an annual progress report dated April 7, 2015 from a representative for CHS, swing beds have not been initiated due to difficulties in recruiting and retaining qualified therapy support for these patients. It was projected the service will be initiated by October 1, 2015. 10/5/2015-A more recent update is pending.*

North Knoxville Medical Center f/k/a Mercy Medical Center-North, CN1106-019A, has an outstanding Certificate of Need that will expire on 12/1/2015. The CON was approved at the October 26, 2011 Agency meeting for acquisition of a second linear accelerator for its radiation therapy department located on Mercy Medical Center-North campus located at 7551 Dannaher Way, Powell (Knox County), Tennessee 37849. The estimated project cost is **$4,694,671.** *Project Status Update: Per an annual progress*

report dated July 30, 2015 from a representative for North Knoxville Medical Center, Health Management Associates was purchased by Community Health Systems ("CHS"). CHS took ownership of the former Health Management hospitals, including North Knoxville Medical Center and the other Tennova Healthcare hospitals, on January 27, 2014. During the transition period leading up to the ownership change, all capital projects were put on hold by Health Management. The project was reevaluated by CHS considering the reopening of the Baker Cancer Center and the future impact of the relocation of Physicians Regional Medical Center to its new location. The project and its funding have since been approved by Community Health Systems. Construction is scheduled to being on October 26, 2015 with an estimated construction completion date of March 30, 2016. The Purchase and License agreements have been completed for the Equipment, installation, licensing, training and support. North Knoxville Medical Center anticipates the project will not be completed until April 2016. A request for a one-year extension of the expiration date to December 1, 2016 has been filed and is expected to be heard at the Agency's October meeting.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, denied applications, or outstanding Certificate of Needs for other health care organizations in the service area proposing this type of service.

Pending

NorthCrest Medical Center, CN1507-028 has a pending application to be heard at the October 28, 2015 Agency meeting. The application will be heard simultaneously with Gateway Medical Center, CN1507-027. The proposed project seeks approval for the establishment of a satellite emergency department facility to be located at an unnamed street address near the intersection of Gateway Plaza Boulevard and TN Highway 76 in Clarksville (Montgomery County), Tennessee 37043. The proposed facility will be operated as a satellite emergency department of NorthCrest Medical Center and will have 8 treatment rooms and will provide emergency diagnostic and treatment services. The project does not contain major medical equipment, initiate or discontinue any other health service or affect the hospital's licensed 109 bed complement. The estimated project cost is **$6,900,000**.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME
10/21/2015

LETTER OF INTENT

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Leaf Chronicle, which is a newspaper of general circulation in Montgomery County, Tennessee, on or before July 10, 2015 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that Gateway Medical Center Satellite Emergency Department at Sango, owned and managed by Clarksville Health System, G.P., a Tennessee General Partnership, intends to file an application for a Certificate of Need for the construction and establishment of a satellite Emergency Department of Gateway Medical Center, to be operated under the license of Gateway Medical Center. The proposed new facility will have 8 treatment rooms providing Levels I through V emergency treatment services, and will include ancillary services including but not limited to medical lab, CT, X-Ray and ultra-sound. Gateway Medical Center is located at 651 Dunlop Lane, Clarksville, Montgomery County, Tennessee 37040. The proposed new facility will be located on an unaddressed site on the north side of Highway 76, approximately 1,400 feet east of Interstate 24, at Exit 11, in Montgomery County. Gateway Medical Center is licensed as a general hospital by the Tennessee Department of Health, Board for Licensing Health Care Facilities. This project involves no new licensed inpatient beds, no new healthcare services being initiated, and no major medical equipment. The project cost is estimated at $11,000,000.

The anticipated date of filing the application is on or before July 15, 2015.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Burr & Forman, LLP, 511 Union Street, Suite 2300, Nashville, Tennessee 37219, 615-724-3247, jtaylor@burr.com.

Jerry W. Taylor
Signature
by JWT with permission

7-7-15
Date

The published Letter of Intent contains the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

ORIGINAL

-Application

Gateway

Medical Ctr.

CN1507-027

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

PART A

1. Name of Facility, Agency, or Institution

Gateway Medical Center Satellite Emergency Department at Sango		
Name		
Unaddressed site on the north side of Highway 76, 1400 feet east of I-24		Montgomery
Street or Route		*County*
Sango (Unincorporated Community)	TN	37043
City	*State*	*Zip Code*

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
Name		*Title*	
Development Support Group		jwdsg@comcast.net	
Company Name		*E-Mail Address*	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
Street or Route	*City*	*State*	*Zip Code*
CON Consultant	615-665-2022	615-665-2042	
Association With Owner	*Phone Number*	*Fax Number*	

3. Owner of the Facility, Agency, or Institution

Clarksville Health System, G.P.		931-502-1200
Name		*Phone Number*
c/o Chief Executive Officer, Gateway Medical Center		Montgomery
Street or Route		*County*
Clarksville	TN	37040
City	*State*	*Zip Code*

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership	x	G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)		I. Other (Specify):	
E. Corporation (Not-for-Profit)			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

5. *Name of Management/Operating Entity (If Applicable)* NA

Name
Street or Route — *County*
City — *State* — *Zip Code*

6. *Legal Interest in the Site of the Institution (Check One)*

A. Ownership		D. Option to Lease	
B. Option to Purchase	x	E. Other (Specify):	
C. Lease of ____ Years			

7. *Type of Institution (Check as appropriate—more than one may apply)*

A. Hospital (Specify): General	x	I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency		L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	
G. Mental Health Residential Faclity		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify): Satelllite ED	x

8. *Purpose of Review (Check as appropriate—more than one may apply*

A. New Institution		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, Designation, Distribution, Conversion, Relocation	
B. Replacement/Existing Facility		H. Change of Location	
C. Modification/Existing Facility		I. Other (Specify):	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)		Establish a satellite Emergency Department at another location	x
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. Bed Complement Data

(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical					
B. Surgical	187		94		187
C. Long Term Care Hosp.					
D. Obstetrical	24		24		24
E. ICU/CCU	21		14		21
F. Neonatal	12		12		12
G. Pediatric	6		6		6
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation	20		10		20
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL	**270**	**0**	**160**	**NC**	**270**

10. Medicare Provider Number:	440035
Certification Type:	General Acute Care Hospital
11. Medicaid Provider Number:	0440035 for TN; 7100211290 for KY
Certification Type:	General Acute Care Hospital

12. & 13. See page 4

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

The facility will be operated as a department of Gateway Medical Center, which is already certified by both Medicare and Medicaid.

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? Yes IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

Table One: Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	**Applicant's Relationship**
AmeriGroup	contracted
United Healthcare Community Plan (formerly AmeriChoice)	contracted
TennCare Select	contracted
Kentucky Medicaid	contracted

SECTION B: PROJECT DESCRIPTION
B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

- Gateway Medical Center ("GMC") is a 270-bed community hospital in Clarksville, approximately an hour's drive northwest of Nashville. It is the only general hospital in Montgomery County--Tennessee's 7th most populous county. It is located on the west side of I-24, within sight of the interstate, three minutes' drive south of Exit 4. In 2014, GMC's Emergency Department ("ED") was the State's 9th most heavily utilized ED.

- This application by GMC is to construct and establish a satellite Emergency Department, or "Freestanding Emergency Department" ("FSED") at a site on the east side of I-24 at Exit 11. The site is in Montgomery County, near the unincorporated community of Sango. Exit 11 is approximately 6 miles south of Exit 4, which is the GMC exit. The Sango facility will be a full-service Emergency Department, operating 24 hours daily. It will have the same State classification as the main ED. It will be staffed by the same Emergency Physician group that staffs the main campus ED, and will have the same clinical competencies--with an RN staff already experienced in Emergency Care and holding all nursing certifications for emergency services.

- The proposed 12,500 SF facility will have 8 examination and treatment rooms, including 2 oversized rooms and a secure (psychiatric) holding room. Treatment rooms will be fully equipped and supplied to care for adult and pediatric patients. Ancillary services will include CT scanning, imaging/fluoroscopy, mobile ultrasound, and laboratory services appropriate for emergency care.

Ownership Structure

- The project will be a satellite department of Clarksville Health System, G.P., d/b/a Gateway Medical Center, which is 20% owned by GHS Holdings, LLC and 80% owned by Clarksville Holdings, LLC. Attachment A.4 contains more details, an ownership chart, and information on the Tennessee facilities owned the parent company.

Service Area

- The county-defined primary service area of the Gateway Emergency Department at Exit 4 currently consists of Montgomery and Stewart Counties in Tennessee, and Christian County in Kentucky. Montgomery contributes 83.1% of GMC's emergency visits; and Christian and Stewart Counties together contribute 7.5%.

• The proposed satellite ED, several miles to the south on I-24 at Exit 11, will serve primarily central and south Montgomery County, drawing most of its patients from zip codes 37040, 37042, and 37043.

Need

• Gateway will serve more than 65,000 ED visitors this year. Its volume makes it Tennessee's 9th busiest ED. Its visits have been increasing on average at 2.5% per year since 2010. By the end of 2015, the ED will be operating at 1,632 visits per treatment room. It will exceed 1,800 visits per room by the end of this decade unless more treatment rooms are added. That is unacceptable intensity for this hospital. Its 41 treatment rooms must be increased to 49 rooms, to keep utilization at the more manageable average of 1,500 to 1,600 annual visits per room.

• As part of a broad plan to increase the efficiency of its ED and to make emergency services more accessible, Gateway proposes to add this new capacity as a freestanding satellite ED, at an interstate exit several miles south of the hospital. That will increase accessibility for persons living or traveling through the central and southeast parts of Montgomery County, while (a) providing sufficient capacity to avoid overcrowding at either location, and (b) operating both the main campus and the satellite ED at the efficient level of 1,500-1,600 annual visits per treatment room.

• With almost 50,000 visits from the three zip codes that this satellite will serve, Gateway already has ample utilization to support the satellite at its projected utilization. There are also many more ED visits going out of the county from those zip codes, and some of those will likely begin to go to the Exit 11 satellite ED due to proximity and ease of access.

Existing Resources

• There is no other general hospital or emergency care facility in Gateway Medical Center's Emergency Services primary service area. Jennie Stuart Medical Center in Hopkinsville (Christian County, Kentucky) is approximately 28 miles and 33 minutes' drive northeast of Clarksville via I-24. To the southeast, the closest hospitals are in Robertson County (Springfield) and in Davidson and Sumner Counties (Nashville and Hendersonville). They are all more than a half hour's drive time from Gateway Medical Center and from the satellite ED site.

Project Cost, Funding, Financial Feasibility, and Staffing

• The capital cost of the project is estimated at $10,700,000. The project will be funded by CHS/Community Health Systems, Inc., a parent company of the applicant.

• Gateway Medical Center has a positive operating margin. Its Emergency Department does also. The proposed satellite FSED project in Sango is projected to have a positive operating margin.

• The FSED will require an estimated 49.6 new FTE's in Year Two.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.
B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.)* INCLUDING SQUARE FOOTAGE, MAJOR OPERATIONAL AREAS, ROOM CONFIGURATION, ETC.

Project Location

For brevity, the Gateway Medical Center Satellite Emergency Department at Sango is referred to in this application as the "satellite ED" or as the "FSED"--meaning "freestanding emergency department".

The Gateway FSED will be located on an unaddressed 3.2-acre tract of land, approximately 1400 feet east of I-24 at Exit 11, on the north side of Highway 76. That exit is approximately 6 miles south of Exit 4, the Gateway Medical Center exit. Gateway's main campus Emergency Department (visible from I-24) is approximately 8.4 miles and 11 minutes' drive time northeast of the proposed FSED.

Project Design and Operations

A location map, site plan, and floor plan for the proposed satellite Emergency Department are provided below after the narrative description of the project.

The FSED will be in a 12,500 SF building with separate canopied walk-in and ambulance entries for patients, providing daily 24/7 emergency care. Both adult and pediatric patients will be served. The facility will be equipped with CT, general radiology/fluoroscopy, ultrasound, and laboratory services. There will be eight exam/treatment rooms. Two of these will be oversized major exam rooms. One will be an isolation exam room; and one will be a secure exam/holding room for patients with symptoms of psychiatric or emotional issues. All treatment rooms at the FSED will be hard-walled, single-bed rooms for patient and family privacy. They will all function as

multi-purpose rooms when visit volumes require. Support areas will include a workroom for EMS (Emergency Medical Services Techs providing ambulance transport), waiting and sub-waiting areas, a staff lounge, a physician on-call room, and storage space for equipment and supplies.

Table Two below shows the space and capacity that the satellite ED will add to Gateway's Emergency Department.

Table Two: Proposed Emergency Department (ED) Capacity			
Patient Care Areas Other than Ancillary Services (X-ray, CT, Lab)	**Hospital ED**	**Satellite ED**	**Combined EDs**
Exam/Treatment Rooms	41*	8	49
Multipurpose	30	4	34
Cardiology			
OB/Gyn			
Holding/Secure/Psychiatric	4	1	5
Isolation	2	1	3
Orthopedic			
Trauma / Cardiac Oversized Rooms	4	2	6
Eye	1		1
Triage Stations	3	2	5
Decontamination Rooms/Stations	1	1	2
GSF of Main and Satellite ED's	30,005 SF	12,500 SF	42,505 SF

**At the conclusion of a current internal renovation project in the Fall of 2015, the main ED will add a net of one exam room to its CY2014 complement of forty exam rooms.*

It is important that this satellite ED have the same clinical competencies as the main campus ED in Clarksville. Its physician staff will be the same Emergency Physician group that staffs the main campus ED. From its opening day, the satellite's nursing staff will be professionals who are already experienced in providing emergency care, and who hold certifications in these applicable competencies:

Basic Life Support (BLS)
Advanced Cardiac Life Support (ACLS)
Pediatric Advanced Life Support (PALS)
Neonatal Resuscitation Program (NRP)
Trauma Nursing Core Certification (TNCC)

Project Cost, Funding, and Implementation Schedule

The estimated project cost is $10,700,000. It will be funded by a capital transfer from CHS / Community Health Systems, Inc., the parent company of Gateway Medical Center. Table Two-B below shows the project's size and construction costs. If it receives CON approval in October 2015, Gateway hopes to fast-track its development for an opening by January of 2017. CY 2017 is used as its first full year of operation for projections in this application.

The CON Applicant and Its Ownership

Gateway Medical Center is a 270-bed full-service community hospital. It offers a wide range of acute care services. In 2014, Gateway Medical Center gave $36,614,111 in discounts to uninsured patients, gave another $1,981,886 in charity care, and paid $2,577,745 in taxes.

Clarksville Health System, G.P., d/b/a Gateway Medical Center is 20% owned by GHS Holdings, LLC, and 80% owned by Clarksville Holdings, LLC.

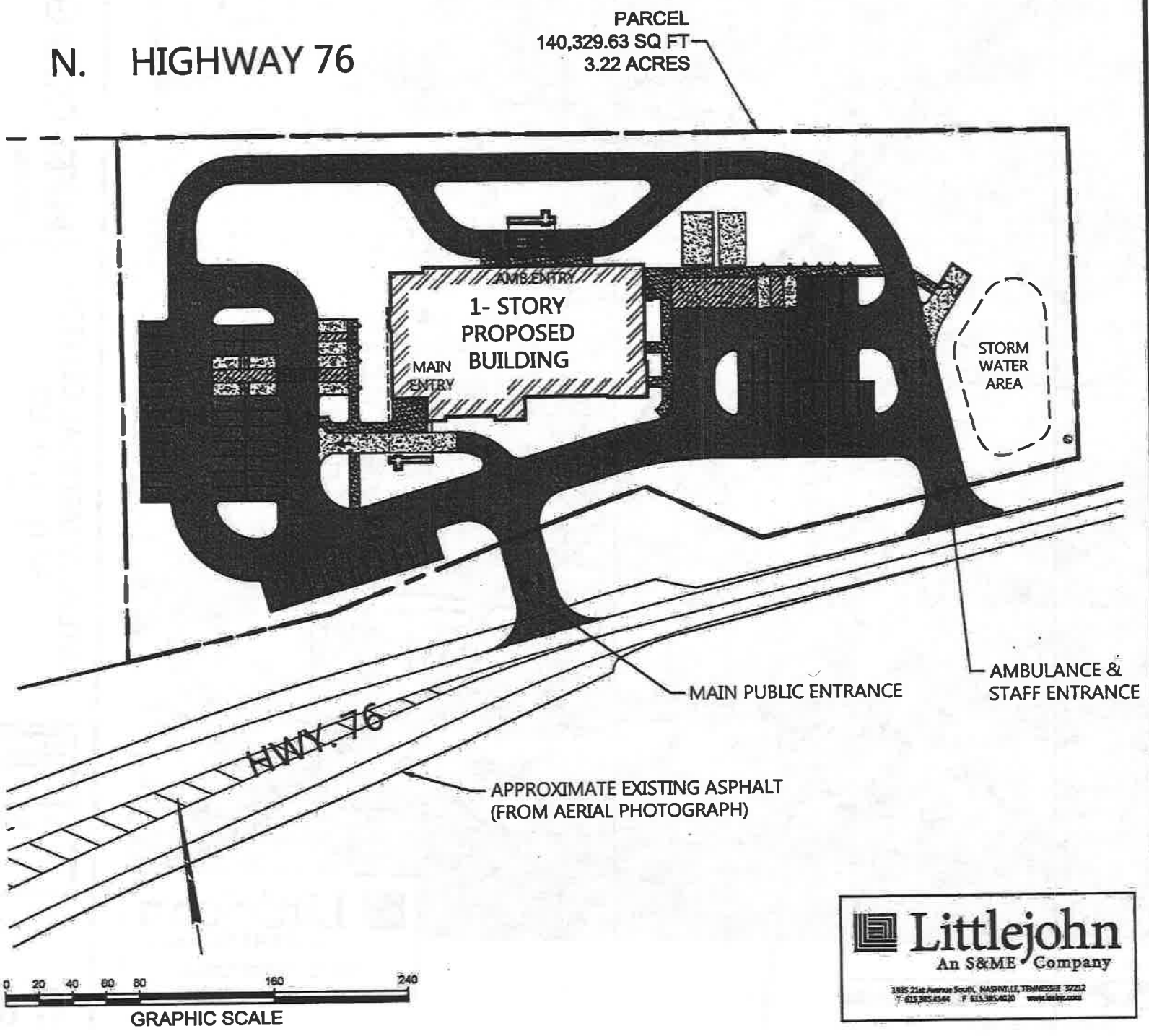
Gateway is also a joint venture partner in the Vanderbilt-Gateway Cancer Center, G.P. in Montgomery County, and is joint-ventured with area physicians in the Clarksville Imaging Center, LLC.

HFR DESIGN
214 Centerview Drive, Suite 300
Brentwood, TN 37027
p 615.370.9500
f 615.370.8530
hfrdesign.com

GATEWAY MEDICAL CENTER
SATELLITE ED
CLARKSVILLE, TN 37043

HFR PROJECT NO.:	
DATE:	JUNE 30, 2015
PM REVIEWER:	
DC REVIEWER:	
vicinity Map	

C 0.00



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GATEWAY MEDICAL CENTER
SATELLITE ED
CLARKSVILLE, TN 37043

HFR PROJECT NO.:
DATE: JUNE 30, 2015
PM REVIEWER:
QC REVIEWER:

FLOOR PLAN

C 1.00

HFR DESIGN
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hfrdesign.com

GATEWAY MEDICAL CENTER
SATELLITE ED
CLARKSVILLE, TN 37043

HFR PROJECT NO: –
DATE: JULY 1, 2015
PM REVIEWER: –
QC REVIEWER: –

FLOOR PLAN

G 1.00

AREA SUMMARY:

GROSS BLDG	12,500 SF
WALK-IN CANOPY	1,111 SF
AMBULANCE CANOPY	823 SF

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF $5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF $2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART.

UTILIZING THE ATTACHED CHART, APPLICANTS WITH HOSPITAL PROJECTS SHOULD COMPLETE PARTS A-E BY IDENTIFYING, AS APPLICABLE, NURSING UNITS, ANCILLARY AREAS, AND SUPPORT AREAS AFFECTED BY THIS PROJECT. PROVIDE THE LOCATION OF THE UNIT/SERVICE WITHIN THE EXISTING FACILITY ALONG WITH CURRENT SQUARE FOOTAGE, WHERE, IF ANY, THE UNIT/SERVICE WILL RELOCATE TEMPORARILY DURING CONSTRUCTION AND RENOVATION, AND THEN THE LOCATION OF THE UNIT/SERVICE WITH PROPOSED SQUARE FOOTAGE. THE TOTAL COST PER SQUARE FOOT SHOULD PROVIDE A BREAKOUT BETWEEN NEW CONSTRUCTION AND RENOVATION COST PER SQUARE FOOT. OTHER FACILITY PROJECTS NEED ONLY COMPLETE PARTS B-E.

See Attachment B.II.A.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

Hospital construction projects approved by the HSDA in 2011-2014 had the following average construction costs per SF:

Table Three-A: Hospital Construction Cost PSF Years: 2011-2013			
	Renovated Construction	New Construction	Total Construction
1st Quartile	$110.98/sq ft	$224.09/sq ft	$156.78/sq ft
Median	$192.46/sq ft	$259.66/sq ft	$227.88/sq ft
3rd Quartile	$297.82/sq ft	$296.52/sq ft	$298.66/sq ft

Source: HSDA, from CON applications approved during 2011-2014.

The Gateway FSED project at Sango is budgeted at $405 PSF overall, higher than the third quartile average cost recorded by the HSDA. However, its construction cost is reasonable for three reasons.

First, a very small project like this can be expected to show a relatively high cost per SF compared to larger projects, because larger projects spread site mobilization and related costs over a larger square footage, when calculating costs PSF.

Second, this project's construction cost will be incurred primarily in CY 2016, which is three years later than the midpoint year of the HSDA Registry cost averages. Increased cost of construction should be expected over a three-year period.

Third, this project's cost estimate is consistent with costs being experienced in other markets where the applicant's development team is building free-standing emergency care facilities such as this.

Table Three-B: This Project's Construction Costs			
	Renovation	New Construction	Total Project
Square Feet	0	12,500 SF	12,500 SF
Construction Cost	0	$5,062,500	$5,062,500
Constr. Cost PSF	0	$405	$405

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

Not applicable. The project contains no inpatient beds.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

1. **ADULT PSYCHIATRIC SERVICES**
2. **ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS**
3. **BIRTHING CENTER**
4. **BURN UNITS**
5. **CARDIAC CATHETERIZATION SERVICES**
6. **CHILD AND ADOLESCENT PSYCHIATRIC SERVICES**
7. **EXTRACORPOREAL LITHOTRIPSY**
8. **HOME HEALTH SERVICES**
9. **HOSPICE SERVICES**
10. **RESIDENTIAL HOSPICE**
11. **ICF/MR SERVICES**
12. **LONG TERM CARE SERVICES**
13. **MAGNETIC RESONANCE IMAGING (MRI)**
14. **MENTAL HEALTH RESIDENTIAL TREATMENT**
15. **NEONATAL INTENSIVE CARE UNIT**
16. **NON-RESIDENTIAL METHADONE TREATMENT CENTERS**
17. **OPEN HEART SURGERY**
18. **POSITIVE EMISSION TOMOGRAPHY**
19. **RADIATION THERAPY/LINEAR ACCELERATOR**
20. **REHABILITATION SERVICES**
21. **SWING BEDS**

Not applicable. The applicant is not proposing to add any new service. The project is an additional site of service for acute care emergency services that are currently located only in the northern part of Montgomery County.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

Gateway Medical Center's Role in Its Service Area

Gateway's primary service area is fast-growing Montgomery County, which has the seventh largest county population in Tennessee (See Table Four-A below). Gateway operates Montgomery County's only Emergency Department--located on I-24, midway between Hopkinsville, Kentucky and Nashville.

Gateway's ED is the State's ninth busiest, with approximately 65,000 visits annually--more visits than at any Nashville, Chattanooga, or Knoxville hospital that is not a major teaching hospital or a regional children's hospital; and more visits than such well-known tertiary care centers as the MED in Memphis (See Table Four-B below).

The Objectives of This Project

Gateway's medical staff and management have been working for several years on a broad plan to expand its service area's access points for primary and specialty physician care and to upgrade the efficiency and accessibility of its emergency services.

The benefits of that plan will be (1) to reduce non-emergent visits to the Emergency Room by providing more access to physician care at widely distributed physician offices and urgent care centers, and (2) to provide quicker access to life-saving ED care for patients with true emergency care needs. This project focuses on the latter goal. It will benefit not only residents of its primary service area zip codes, but also non-residents who are traveling in or near those areas accessible to I-24.

Gateway has established and operates six physician clinics (primary care and specialist care) at locations across Montgomery County and in Stewart County. In September 2015, the hospital will complete a $2 million internal renovation of its existing Emergency Department, to improve its efficiency. And in this application, Gateway is requesting approval to open a $10.7 million satellite ED on I-24 southeast of the main hospital, within Montgomery County, to better serve the increasing populations who live

in, or drive through, central and southern Montgomery County, in areas accessible to the I-24 corridor.

Table Four-A: Tennessee's Most Populous Counties		
County	**2015 Population**	**2019 Population**
1. Shelby	946,559	956,200
2. Davidson	663,151	688,318
3. Knox	459,124	481,044
4. Hamilton	349,273	354,610
5. Rutherford	302,237	338,904
6. Williamson	207,872	228,670
7. Montgomery	**191,068**	**203,460**
8. Sumner	175,054	186,146
9. Sullivan	159,494	161,707
10. Washington	132,599	140,184
11. Blount	129,973	137,058
12. Wilson	126,472	135,567

Source: TDH Population Projections, 2013 Series

Table Four-B: Tennessee's Most Utilized Emergency Rooms in 2014		
Hospital	**County**	**ED Visits**
1. Vanderbilt University Hospitals	Davidson	128,136
2. Erlanger Medical Center	Hamilton	92,416
3. University of Tennessee Memorial Hospital	Knox	84,733
4. Saint Thomas Rutherford Hospital	Rutherford	77,652
5. Wellmont - Holston Valley Medical Center, Inc.	Sullivan	71,855
6. Methodist Hospital - North	Shelby	69,864
7. East Tennessee Children's Hospital	Knox	65,262
8. Methodist Hospital - South	Shelby	64,774
9. Gateway Medical Center	**Montgomery**	**63,996**
10. Methodist Healthcare - Memphis	Shelby	63,729
11. Baptist Memorial Hospital	Shelby	60,274
12. Wellmont Bristol Regional Medical Center	Sullivan	57,542
13. Lebonheur Children's Medical Center	Shelby	56,236
14. The Regional Medical Center at Memphis	Shelby	55,963

Source: TDH Special Report from 2014 Joint Annual Reports

Need for Additional Emergency Room Capacity for Gateway Medical Center Patients

The Gateway Medical Center ED now has 40 examination/treatment rooms. In late 2015, it will have 41 rooms, as a result of its current renovation project. However, hospital studies indicate a need for at least 8 more rooms in the next five years, if annual average visits per room are to be held to optimal levels of 1,500 annual visits per room.

Table Four-C on the following page shows the historical and projected community demand for emergency room visits and treatment room capacity. From CY2010 to CY2014, ED visits increased at a compound annual growth rate ("CAGR") of 2.7 %. The hospital projects that growth in public demand for ED care will continue at a minimum of 2.5% CAGR through CY2021. With that growth and with 41 treatment rooms, intensity of room utilization will increase from 1,632 visits per room in CY2015, to 1,847 visits per room in CY2021--levels that Gateway considers sub-optimal, due to prolonged waiting times in peak periods.

The ED leadership and staff have worked hard to deal with increasing visits. Too many times, ambulances must wait for prolonged periods for their transported patients to be seen. GMC staff have managed to reduce their average ambulance "turnaround" time from 15 or more minutes to approximately 7 minutes; but this is still an issue at peak service periods. The time from patient arrival to seeing a caregiver/care provider has been reduced from 59 minutes to 47 minutes this year; but again, at peak periods, waiting time an become an issue. Between 2014 and YTD 2015, due to unavailability of treatment room capacity the percentage of patients leaving before being seen has increased approximately one percent, and the average time of "arrival to treatment and discharge" has increased by 5%, or eleven minutes.

To better and more effectively serve patients and to reduce their waiting time, Gateway plans to add enough treatment room capacity to hold average room utilization to between 1,500 and 1,600 visits per room. As Table Four-C shows, that will require the addition of 8 more treatment rooms through CY2020, with a 9th needed in CY2021.

With a 41-room ED on campus later this year, but with a need for 49 rooms in the near future, Gateway has only two alternatives: (1) to expand the existing ED at the

hospital campus; or (2) to add the needed 8 rooms at a satellite location to improve public accessibility and choice of service site. The decision has been made to pursue the satellite concept to shorten drive times for patients living, working, or driving through areas south of the current hospital location.

Table Four-D on the second following page takes the projections in Table Four-C, and shows the expected distribution of visits between the two ED locations beginning in CY2017. In Year One, the distribution is expected to be 1,430 visits per room at the main ED and 1,286 per room at the satellite ED (an average of 1,407 per room). In Year Five, the distribution is expected to be 1,586 visits per room at the main ED and 1,426 at the satellite (an average of 1,560 per room). Management estimates that approximately 17.5% of the consolidated EDs' visits will be directed to the Exit 11 satellite ED.

Table Four-C: Gateway Medical Center Emergency Department
Historic and Projected Community Demand for Visits CY2010-CY2021--Without Proposed Satellite
Compared to Planning Standards for Optimal Utilization

		ACTUAL					COMMUNITY DEMAND PROJECTION						
	Year:	2010	2011	2012	2013	2014	2015	2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021
A	Historic & Projected Community Demand for GMC Emergency Visits	57,392	61,477	66,288	63,996	63,693	65,285	66,917	68,590	70,305	72,063	73,864	75,711
B	% Increase Over Prior Year		7.1%	7.8%	-3.5%	-0.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
C	2010-2014 Increase (CAGR)					2.5%							
D	Exam/Treatment Rooms	40	40	40	40	40	40	41	41	41	41	41	41
E	Average Visits/Room	1,435	1,537	1,657	1,600	1,592	1,632	1,632	1,673	1,715	1,758	1,802	1,847
G	Gateway Goal-Optimal Annual Visits/Room	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	% of Standard Currently	95.7%	102.5%	110.5%	106.7%	106.2%	108.8%	108.8%	111.5%	114.3%	117.2%	120.1%	123.1%
	Rooms Needed @ 1,500 Visits/Room	38	41	44	43	42	44	45	46	47	48	49	50
	Additional Rooms Needed to Meet Standard	-2	1	4	3	2	4	4	5	6	7	8	9

Sources:

1. Visits data from hospital records and managment projections.

Table Four-D: Gateway Medical Center Emergency Department
Actual and Projected Visits CY2010-CY2021--With Proposed Satellite Open in CY2017
Distribution of Visits Between Main and Satellite Emergency Departments

		ACTUAL					PROJECTED						
	Year:	2010	2011	2012	2013	2014	2015	2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021
A	Main Campus Visits	57,392	61,477	66,288	63,996	63,693	65,285	66,917	58,638	60,397	61,907	63,454	65,041
	Main Campus Rooms	40	40	40	40	40	40	41	41	41	41	41	41
	Main Campus Visits/Room	1,435	1,537	1,657	1,600	1,592	1,632	1,632	1,430	1,473	1,510	1,548	1,586
B	Satellite Visits								10,287	10,596	10,861	11,132	11,410
	Satellite Rooms								8	8	8	8	8
	Satellite Visits Per Room								1,286	1,324	1,358	1,392	1,426
C	Total Visits	57,392	61,477	66,288	63,996	63,693	65,285	66,917	68,925	70,992	72,767	74,586	76,451
	Total Rooms	40	40	40	40	40	40	41	49	49	49	49	49
	Total Visits Per Room	1,435	1,537	1,657	1,600	1,592	1,632	1,632	1,407	1,449	1,485	1,522	1,560

Sources: Hospital Records and Management Projections; and Table Five.

The Need to Develop Emergency Room Capacity at Exit 11

a. Demand for Emergency Care Visits in the Project Service Area

As stated above, the Gateway Emergency Department has a primary service area that includes adjoining Stewart County and Christian County in Kentucky. The satellite ED at Exit 11 will have a much smaller primary service area, focused on areas of central and southern Montgomery County. It is likely that at least 85% of the satellite ED's patients will be residents of zip codes 37040, 37042, and 37043, many parts of which are closer to Exit 11 than to Exit 4 where the hospital is located. A map of these three zip codes is provided on the following page.

On the second following page, the applicant's projection of population and total ED visits (to all destinations) by age cohort are shown for each of these zip codes. In 2014, the applicant's data source estimated that residents of these zip codes made 81,572 total visits to emergency rooms at all locations inside and outside of Tennessee. Approximately 61% of these (49,465) utilized Gateway Medical Center's main campus ED at Exit 4. The applicant does not have access to data on the other patients' emergency room destinations. It is a reasonable assumption that most of those patients were served in Hopkinsville, Kentucky (30 minutes' drive) or in Nashville/Davidson County (the closest ED being 45 minutes' drive). These would be logical sites of emergency care for residents of the project zip codes who (a) were in those areas for employment or other reasons when needs developed, or (b) had needs where time was of the essence, and access to another hospital would be quicker; or (c) needed medical and inpatient care for which the patient already had provider relationships outside of Montgomery County.

The total area demand for emergency room visits (81,572), and Gateway's current visits from that area (49,465), both far exceed the 10,000-11,000 visits projected for the satellite ED in its first few years. So there is ample market demand for Gateway's services, to ensure that the project will meet its utilization projections.

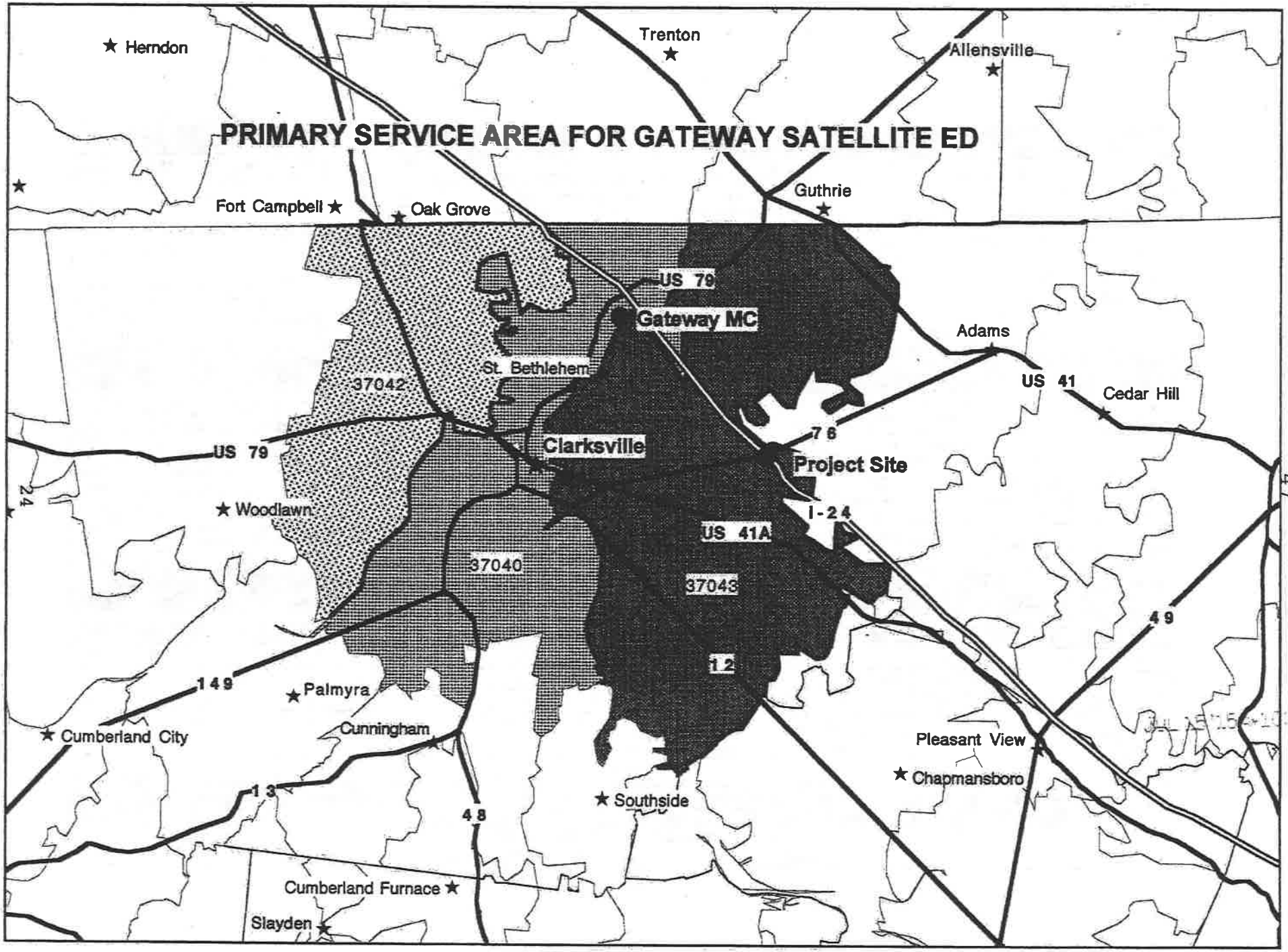

PRIMARY SERVICE AREA FOR GATEWAY SATELLITE ED
Herndon
Trenton
Allensville
Fort Campbell
Oak Grove
Guthrie
US 79
Gateway MC
Adams
St. Bethlehem
37042
US 41
Cedar Hill
76
US 79
Clarksville
Project Site
24
Woodlawn
I-24
US 41A
37040
37043
12
49
149
Palmyra
Cumberland City
Cunningham
Pleasant View
Chapmansboro
13
48
Southside
Cumberland Furnace
Slayden
47

Table Four-E: Projected Visits to Emergency Rooms at All Locations
By Residents of Project Primary Service Area Zip Codes 37040, 37042, 37043

37040	2013			2014			2015			2016			FSED Year ONE-2017			FSED Year TWO-2018				
Age Cohort	Population	ED Visits	Use Rate per 1,000	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	ED Visits	Use Rate
0-15	11,105	5,840	525.9	11,452	6,041	527.5	11,810	6,250	529.2	12,180	6,465	530.8	12,562	6,688	532.4	12956	6,919	534.1	7,660	538.9
15–25	8,037	5,016	624.2	8,267	5,096	616.4	8,505	5,177	608.7	8,750	5,260	601.1	9,001	5,344	593.7	9261	5,429	586.3	5,693	564.6
25–45	14,807	7,590	512.6	15,303	7,865	515.3	15,818	8,192	517.9	16,351	8,511	520.5	16,903	8,842	523.1	17475	9,186	525.7	10,300	533.2
45–65	9,208	3,564	387.1	9,440	3,650	386.6	9,679	3,737	386.1	9,926	3,827	385.5	10,182	3,919	384.9	10446	4,013	384.2	4,309	381.6
65–75	2,213	864	390.4	2,348	924	393.6	2,492	989	396.8	2,645	1,058	400.0	2,807	1,132	403.2	2980	1,211	406.4	1,483	416.2
75 and up	1,493	821	549.9	1,575	862	547.2	1,662	905	544.5	1,754	950	541.6	1,851	997	538.7	1955	1,047	535.7	1,211	526.1
Totals	46,862	23,695	505.6	48,386	24,459	505.5	49,966	25,250	505.3	51,606	26,071	505.2	53,306	26,922	505.1	55,070	27,805	504.9	30,857	504.4

37042	2013			2014			2015			2016			FSED Year One-2017			FSED Year Two-2018				
Age Cohort	Population	ED Visits	Use Rate per 1,000	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	ED Visits	Use Rate
0-15	18,549	9,850	531.0	18,993	10,115	532.6	19,448	10,367	534.1	19,913	10,666	535.6	20,391	10,953	537.2	20880	11,248	538.7	12,180	543.3
15–25	13,061	7,259	555.8	13,368	7,344	549.4	13,682	7,430	543.1	14,004	7,518	536.8	14,333	7,606	530.6	14671	7,695	524.5	7,969	506.5
25–45	22,974	12,010	522.8	23,595	12,402	525.6	24,235	12,807	528.5	24,893	13,225	531.3	25,570	13,657	534.1	26268	14,103	536.9	15,530	545.2
45–65	12,080	4,749	393.1	12,326	4,839	392.6	12,580	4,931	392.0	12,841	5,025	391.3	13,111	5,121	390.6	13388	5,218	389.8	5,521	386.8
65–75	2,751	1,120	407.2	2,906	1,193	410.4	3,070	1,270	413.7	3,244	1,353	417.0	3,427	1,440	420.3	3622	1,534	423.6	1,853	433.6
75 and up	1,502	734	488.8	1,581	767	485.1	1,666	802	481.2	1,755	838	477.4	1,849	876	473.4	1949	915	469.5	1,044	457.3
Totals	70,916	35,722	503.7	72,770	36,660	503.8	74,681	37,628	503.8	76,650	38,625	503.9	78,681	39,653	504.0	80776	40,713	504.0	44,098	504.2

37043	2013			2014			2015			2016			FSED Year One-2017			FSED Year Two-2018			FSED Year Five-2021	
Age Cohort	Population	ED Visits	Use Rate per 1,000	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	Population	ED Visits	Use Rate	ED Visits	Use Rate
0-15	8,541	4,367	511.3	8,733	4,474	512.3	8,930	4,584	513.3	9,131	4,697	514.4	9,337	4,812	515.4	9547	4,930	516.4	5,302	519.4
15–25	5,800	3,323	572.9	5,916	3,361	568.2	6,034	3,400	563.5	6,155	3,440	558.9	6,278	3,480	554.2	6404	3,520	549.7	3,644	536.1
25–45	11,689	5,693	487.1	11,969	5,846	488.5	12,256	6,003	489.8	12,551	6,165	491.2	12,855	6,331	492.5	13166	6,501	493.8	7,040	497.5
45–65	11,060	3,851	348.2	11,315	3,936	347.8	11,579	4,022	347.4	11,851	4,110	346.9	12,132	4,201	346.3	12422	4,293	345.6	4,582	343.2
65–75	3,343	1,215	363.4	3,540	1,295	366.0	3,749	1,381	368.5	3,970	1,473	371.0	4,204	1,570	373.5	4453	1,674	376.0	2,029	383.5
75 and up	2,759	1,471	533.3	2,899	1,540	531.1	3,048	1,612	528.9	3,205	1,687	526.6	3,370	1,766	524.1	3546	1,849	521.5	2,121	513.1
Totals	43,191	19,920	461.2	44,372	20,453	460.9	45,595	21,003	460.6	46,862	21,572	460.3	48,176	22,159	460.0	49,537	22,767	459.6	24,718	458.3
PSA	160,969	79,337	492.9	165,528	81,572	492.8	170,242	83,881	492.7				180,163	88,734	492.5	185,383	91,285	492.4	99,472	492.0
GATEWAY SHARE					49,465 (61%)															

Sources: Community Health Systems; Stratasan; ESRI.

b. Accessibility of the Project Site to Residents of the Service Area Zip Codes

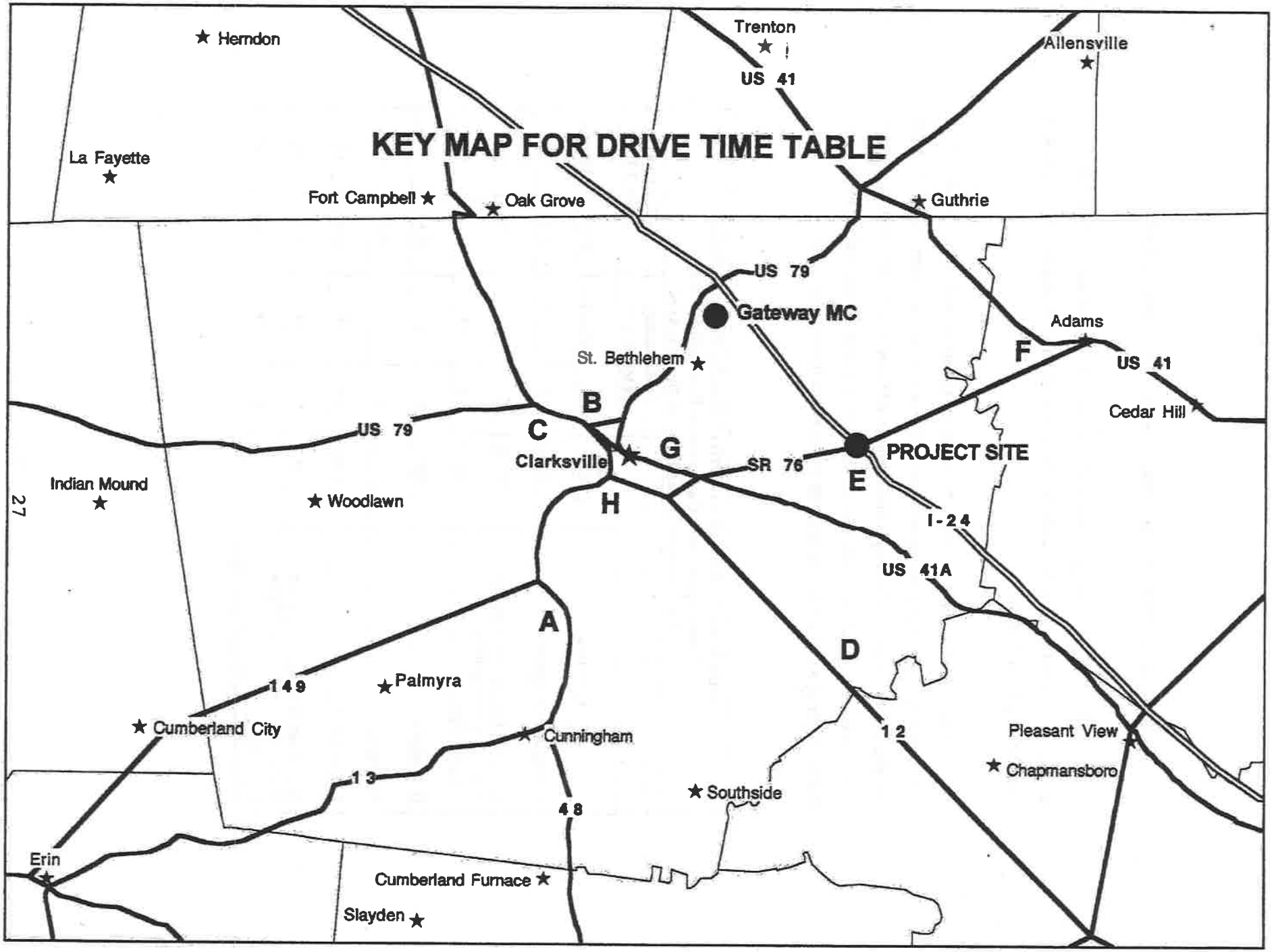
Exit 11 is an excellent choice of location for the enhanced distribution of emergency services to meet the needs of central and southern Montgomery County, and those driving through the area.

Table Four-F below compares average distances and drive times, from representative communities or intersections in the service area zip codes to the Satellite ED site at Exit 11 and to Gateway's main campus ED near Exit 4. The satellite location is as accessible, or more accessible, to these points than is the main campus ED. Following this page is a key map marking the locations listed in this Table.

Table Four-F: Mileage and Drive Times By Personal Vehicle From Applicant's Current and Proposed ED Sites To Locations in the Primary Service Area

		To Gateway Satellite ED		To Gateway Main ED	
Location	**Zip Code**	**Miles**	**Minutes**	**Miles**	**Minutes**
A. Orgains Crossroads	37040	13.5	21"	13.6	25"
B. Austin Peay State University	37040	8.0	16"	6.3	12"
C. Dover Crossing Rd & Fort Campbell Road	37042	11.2	25"	9.1	17"
D. Fredonia	37043	8.1	13"	13.6	22"
E. Sango	37043	1.9	7"	9.8	15"
F. Port Royal	37043	6.0	11"	10.8	17"
G. Uffelman Estates & Madison St.	37043	5.2	10"	7.2	14"
H. Cumberland Drive @ Ashland City Road	37043	8.5	13"	8.6	18"

Source: Google Maps, July, 2015.


KEY MAP FOR DRIVE TIME TABLE
Herndon
Trenton
US 41
Allensville
La Fayette
Fort Campbell
Oak Grove
Guthrie
US 79
Gateway MC
Adams
St. Bethlehem
F
US 41
B
Cedar Hill
US 79
C
G
PROJECT SITE
Clarksville
SR 76
E
Indian Mound
Woodlawn
H
I-24
27
US 41A
A
D
149
Palmyra
Cumberland City
Cunningham
12
Pleasant View
Chapmansboro
13
Southside
48
Erin
Cumberland Furnace
Slayden

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICALEQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF $2.0 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

1. For fixed site major medical equipment (not replacing existing equipment):
- **a. Describe the new equipment, including:**
  1. **Total Cost (As defined by Agency Rule);**
  2. **Expected Useful Life;**
  3. **List of clinical applications to be provided; and**
  4. **Documentation of FDA approval.**
- **b. Provide current and proposed schedule of operations.**

2. For mobile major medical equipment:
- **a. List all sites that will be served;**
- **b. Provide current and/or proposed schedule of operations;**
- **c. Provide the lease or contract cost;**
- **d. Provide the fair market value of the equipment; and**
- **e. List the owner for the equipment.**

3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable. The project contains no major medical equipment as defined by the CON statute or HSDA rules.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:

1. **SIZE OF SITE (IN ACRES);**
2. **LOCATION OF STRUCTURE ON THE SITE;**
3. **LOCATION OF THE PROPOSED CONSTRUCTION; AND**
4. **NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.**

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

See Attachment B.III.A. for the plot plan.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

The satellite ED will be within view of I-24 at Exit 11, on the north side of Highway 76. It will be accessible to the three zip codes that comprise its service area. The second and third pages prior to this page contain Table Four-F with driving distances and times from the project to various locations in the service area, and (b) a map keyed to those locations. Table Five below shows mileage and drive times from Exit 11 to alternate emergency rooms at the four closest hospitals--three of which are far outside of Montgomery County.

Table Five: Mileage and Drive Times Between Project and the Closest Hospital Emergency Departments In or Near the Primary Service Area

Emergency Department & Address	City (County)	Miles	Minutes
Gateway Medical Center ED 651 Dunlop Lane, Clarksville, TN 37040	Clarksville (Montgomery)	8.4	11 min.
Jennie Stuart Medical Center ED 320 W. 18th St., Hopkinsville, KY 42240	Hopkinsville (Christian)	34.1	36 min.
NorthCrest Medical Center ED 100 NorthCrest Dr., Springfield, TN 37172	Springfield (Robertson)	27.0	32 min.
TriStar Skyline Med. Center Trauma ED 3441 Dickerson Pike, Nashville, TN 37207	Nashville (Davidson)	35.8	36 min.

Source: Google Maps, July, 2015.

The project site does not have public bus service. Public transportation should not be an issue for an emergency service, because patients who need emergency care do not take buses to the ED. They go by personal vehicles and ambulances. So do their families. Patients are not typically in ED's long enough for other friends or relatives to visit them by public transportation.

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY

1. **EXISTING SERVICE AREA (BY COUNTY);**
2. **PROPOSED SERVICE AREA (BY COUNTY);**
3. **A PARENT OR PRIMARY SERVICE PROVIDER;**
4. **EXISTING BRANCHES AND/OR SUB-UNITS; AND**
5. **PROPOSED BRANCHES AND/OR SUBUNITS.**

Not applicable. The application is not for a home care organization.

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.

A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

Project-Specific Review Criteria: Construction, Renovation, Expansion, and Replacement of Health Care Institutions

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

Not applicable. The project does not add beds, services, or major medical equipment (costing $2 million or more) to Gateway Medical Center.

2. For relocation or replacement of an existing licensed healthcare institution:

a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

Not applicable. This is an expansion of Gateway Medical Center's Emergency Department, but not an on-site expansion that requires renovation. It is an expansion by addition of a second site of service several miles away from the main campus ED.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

Please see Section B.II.D above. Service area residents were estimated to have made 81,572 ED visits in CY 2014. Gateway served 49,465 of them at its Exit 4 campus. It appears that the 10,000-11,000 visit projection for the Exit 11 satellite ED can easily be achieved.

3. For renovation or expansion of an existing licensed healthcare institution……

Not applicable.

The Framework for Tennessee's Comprehensive State Health Plan

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan. After each principle, the applicant states how this CON application supports the principle, if applicable.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans. **Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.**

The State Health Plan does not yet provide guidelines for evaluating the need for Emergency Department expansions of capacity. However, it is obvious that the closer a fully staffed and equipped Emergency Service is to patients needing emergency care, the better off those patients will be.

2. Access to Care

Every citizen should have reasonable access to health care.
Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

This project is completely *financially* accessible to all residents of the service area who may need emergency care. Under Federal law (EMTALA), emergency care must be provided to all persons in need of it, regardless of their insurance status. With this satellite ED project, Gateway will provide to residents of its immediate area (and to some who are only passing through) improved *physical* accessibility to emergency care--in terms of proximity and in terms of efficiency and responsiveness.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. **The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.**

The project will shorten the time required for emergency patients to access care--both in terms of (a) shorter drive times to a site of emergency care, and (b) avoiding increased wait times at the main campus ED, which will worsen without the additional rooms at the satellite location.

At its recent and projected annual growth rates, Gateway has sufficient visits to meet utilization projections at both the main ED and the satellite ED, without significantly impacting ED utilization at other hospital ED's that are also serving patients from this area.

Without the satellite, Gateway will have to expand its main campus ED. This would have the same impact on other providers in other counties. The satellite concept simply allows Gateway to offer sufficient treatment room capacity--at two convenient sites--to continue serving its historic market share, without queuing up patients and increasing their waiting time, at either location.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. **Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.**

Gateway Medical Center's emergency care teams observe high standards of professional preparation, competence, and care. The hospital is committed to identifying and implementing best practices though continuous data-driven evaluation. In its present program to enhance emergency services, it is renovating its main ED for added efficiency, and is planning for two sites of service (main and satellite ED's) to deal with volume-related issues.

In this project, Gateway's leadership recognizes the importance of ensuring very high levels of competence at a free-standing / satellite ED. In this project, the hospital has committed to open and operate the satellite with all its RN's having prior ED

experience, and holding certifications in Basic Life Support (BLS), Advanced Cardiac Life Support (ACLS), Pediatric Advanced Life Support (PALS), Neonatal Resuscitation Program (NRP), and Trauma Nursing Core Certification (TNCC).

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. **The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.**

The applicant participates in health professional training contracts with several institutions, providing training rotations currently for approximately 288 students per year, in program categories of Registered Nurse, Medical Technologist, Physical Therapist, Occupational Therapist, Respiratory Therapist, Radiologic Technologist, Cardiographer, HIM, Clinical Dietitian, and Certified Registered Nurse Anesthetist.

C(I).2. DESCRIBE THE RELATIONSHIP OF THIS PROJECT TO THE APPLICANT'S LONG-RANGE DEVELOPMENT PLANS, IF ANY.

Gateway's medical staff and management have been working for several years on a broad plan to expand its service area's access points for primary and specialty physician care and to upgrade the efficiency and accessibility of its emergency services. The plan will reduce non-emergent visits to the Emergency Room by providing more access to physician care at widely distributed physician offices and urgent care centers, and it will also provide quicker access to life-saving ED care for patients with true emergency care needs. Gateway has established and operates six physician clinics (primary care and specialist care) at locations across Montgomery County and in Stewart County. In September 2015, the hospital will complete a $2 million internal renovation of its existing Emergency Department, to improve its efficiency. And in this application, Gateway is requesting approval to open a $10.7 million satellite ED on I-24 southeast of the main hospital, within Montgomery County, to better serve the increasing populations who live in, or drive through, central and southern Montgomery County.

C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

The county-defined primary service area of the Gateway Emergency Department currently consists of Montgomery and Stewart Counties in Tennessee, and Christian County in Kentucky. In CY2014, Montgomery County contributed 83.1% of GMC's emergency visits; and Christian and Stewart Counties together contributed 7.5%.

The satellite ED, several miles to the southeast, is projected to have a primary service area of Montgomery County. It will serve primarily central and south Montgomery County, drawing most of its patients from zip codes 37040, 34042, and 37043. This zip code service area was shown on a map in preceding Section B.II.D. Residents of these zip codes already heavily utilize the Gateway ED at Exit 4; many of them will find it more convenient to reach the satellite ED at Exit 11.

A service area map and a map showing the location of the service area counties within the State of Tennessee are provided as Attachments C, Need--3 at the back of the application.

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

Tables Six-A and -B on the following page provides the required data. The total population of the project service area (three zip codes) is projected to increase by 15.3% from 2015 to 2019, at four times the State average annual increase of 3.7%. The service area population is younger than the State average, having 9.5% elderly 65+ years of age, compared to 15.2% Statewide. However, the number of elderly service area residents is increasing at twice the Statewide rate from 2015 to 2019, indicating a probable increase in acute care services utilization of all kinds in the years ahead.

Table Six-A: Demographic Characteristics of Gateway Medical Center Emergency Department Primary Service Area 2015-2019

Primary Service Area	Demographic Characteristics													
County	Median Age - 2010 Census	Total Population 2015	Total Population 2019	Total Population % Change 2015 - 2019	Total Population Age 65+ 2015	% of Population	Total Population Age 65+ 2019	% of Population	Age 65+ Population - Change 2015 - 2019	Median Household Income	TennCare or Medicaid Enrollees May 2015	Percent of 2015 Population Enrolled in TennCare	Persons Below Poverty Level	Persons Below Poverty Level as % of Population US Census
Montgomery	30.0	191,068	203,460	6.5%	16,969	8.9%	19,759	9.7%	16.4%	$49,617	31,110	16.3%	2,783	16.4%
Stewart	42.8	13,659	14,027	2.7%	2,549	18.7%	2,785	19.9%	9.3%	$39,781	2,938	21.5%	510	20.0%
Christian KY	31.1	75,962	77,464	2.0%	8,496	11.2%	9,511	12.3%	11.9%	$38,904	15,952	21.0%	1,742	20.5%
PSA	34.6	280,689	294,951	5.1%	28,014	10.0%	32,055	10.9%	14.4%	$42,767	50,000	17.8%	5,034	19.0%
State of Tennessee	38.0	6,649,438	6,894,997	3.7%	1,012,937	15.2%	1,134,565	16.5%	12.0%	$44,298	1,399,004	21.0%	1,170,301	17.6%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts; TennCare Bureau Apr 2015. KY Medicaid enrollment estimated based on KY website. KY population from U. of Louisville interpolated.
PSA data is unweighted average, or total, of county data.

Table Six-B: Demographic Characteristics of Gateway Medical Center Emergency Department at Sango Primary Service Area 2015-2019

Primary Service Area	Demographic Characteristics													
Zip Code	Median Age - 2010 Census	Total Population 2015	Total Population 2019	Total Population % Change 2015 - 2019	Total Population Age 65+ 2015	% of Population	Total Population Age 65+ 2019	% of Population	Age 65+ Population - Change 2015 - 2019	Median Household Income	TennCare or Medicaid Enrollees May 2015	Percent of 2015 Population Enrolled in TennCare	Persons Below Poverty Level	Persons Below Poverty Level as % of Population US Census
37040	NA	48,386	56,901	17.6%	4,154	8.6%	5,226	9.2%	25.8%	NA	NA	NA	NA	NA
37042	NA	72,770	82,936	14.0%	4,736	6.5%	5,881	7.1%	24.2%	NA	NA	NA	NA	NA
37043	NA	44,372	50,949	14.8%	6,797	15.3%	8,447	16.6%	24.3%	NA	NA	NA	NA	NA
PSA	NA	165,528	190,786	15.3%	15,687	9.5%	19,554	10.2%	24.7%	NA	NA	NA	NA	NA
State of Tennessee	38.0	6,649,438	6,894,997	3.7%	1,012,937	15.2%	1,134,565	16.5%	12.0%	$44,298	1,399,004	21.0%	1,170,301	17.6%

Sources: Community Health Services; Stratasan; ESRI

C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

All people need access to emergency care at some point. Because of this, hospitals in the Medicare program are required by Federal law to provide all required emergency care and stabilization to any patient for whom emergency care is appropriate, when that patient presents to the hospital Emergency Room. Gateway Medical Center complies with this requirement; and so will the proposed satellite ED. Emergency care will continue to be provided without regard to patient insurance, age, gender, race, ethnicity, or income--both at the main campus and at the satellite facility.

Table Seven: Gateway Satellite Emergency Department at Sango Projected Service to Special Needs Groups	
Payor Mix Category	**Percentage of Gross Revenues, Yr. 1**
Medicare	21%
Medicaid/TennCare	24%
Self-Pay	17%

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY. INPATIENT BED PROJECTS MUST INCLUDE THE FOLLOWING DATA: ADMISSIONS OR DISCHARGES, PATIENT DAYS, AND OCCUPANCY. OTHER PROJECTS SHOULD USE THE MOST APPROPRIATE MEASURES, E.G., CASES, PROCEDURES, VISITS, ADMISSIONS, ETC.

The satellite ED's projected primary service area consists of three zip codes in Montgomery County, within which there is no emergency services provider other than the applicant, Gateway Medical Center.

Gateway's larger primary service area for emergency services includes Montgomery and Stewart Counties in Tennessee, and Christian County in Kentucky. It has only the two hospitals shown in Table Eight below. Their combined ED visits have increased an average of 3.5% since 2011, while Gateway's visits increased 4.1% .

Table Eight: Utilization of Emergency Department in Primary Service Area CY2011-CY2013

Emergency Departments and County	2011 Visits	2012 Visits	2013 Visits	% Change 2011-2013
Gateway Medical Center Montgomery (TN)	61,477	66,288	63,996	+4.1%
Jennie Stuart Medical Center Christian (KY)	32,858	35,178	33,652	+2.4%
Total Hospital ED Visits In Primary Service Area	*94,335*	*101,466*	*97,648*	*+3.5%*

Source: TDH Joint Annual Reports; Kentucky State Website

There are also several urgent care centers and physician clinics in Montgomery County, but none provides true emergency care. For patients coming to an ED with minor health issues, some care can be provided in urgent care centers or physician offices. Following this page is GMC's list of urgent care centers in Montgomery County, and a grid showing some of the services urgent care centers provide compared to Emergency Departments. No public information exists on utilization of urgent care centers, much less of private physician offices that may provide minor urgent care.

Urgent Care Centers in the Project's Primary Service Area
(Independent of Gateway Medical Center)

Premier Walk in Clinic-Urgent Care
2147 Wilma Rudolph (Mall location)
Open: M-F 8:00 A – 8:00 P, Sat 8:00 A- 6:00 P, Sun 1:00 P- 5:00 P
Staff includes: PA's/NP (rotate shifts)
Work Comp/Occ Health services included

Doctor's Care #1
2320 Wilma Rudolph (St. B)
Open: M-F 8:00 A-8:00 P, Sat 9:00 A- 5:00 P, Sun 12:00 P- 6:00 P
Staff includes: Dr. Kent and rotating PA's/NP's
Work Comp/Occ Health services included

Doctor's Care #2
2302 Madison Street (Sango)
Open: M-F 8:00 A-6:00 P, Sat 9:00 A-5:00 P, Closed Sunday
Staff includes Dr. Kent and rotating PA's/NP's
Work Comp/Occ Health services included

American Family Care (AFC)
1763 Madison Street
Open: 7 days a week 8:00 A- 6:00 P
Staff includes: MD's/PA's/NP's all rotating
Work Comp/Occ Health services included

CAPABILITIES OF EMERGENCY DEPARTMENT COMPARED TO URGENT CARE CENTERS			
Condition/Need	**Urgent Care**	**Gateway Main ED**	**Proposed Gateway Satellite ED**
Broken Bones		x	x
Basic Lab Services		x	x
Complex Lab Services		x	x
Basic Radiological Services	x	x	x
Complex Radiological Services		x	x
Fevers/Rashes	x	x	x
Sore Throat/ Ear Infections	x	x	x
Orthopedic Care Requiring an MRI		x	
Prescriptions Written	x	x	x
Migraines	x	x	x
Minor Burns	x	x	x
Respiratory Infections	x	x	x
X-Rays	x	x	x
Advanced Life Support		x	x
Severe Chest Pain		x	x
Deep Puncture Wounds		x	x
Traumatic Injuries		x	x
Dizziness	x	x	x
Patients in Labor with medical problems		x	x
Patients requiring surgery		x (not major trauma)	x (not major trauma)
The Flu	x	x	x
Back Pain	x	x	x
Sprains	x	x	x
Toothache	x	x	x

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

Table Eight-A: Historic and Projected ED Visits to Hospital and Satellite Sites 2010-2021

Year	Total ED Visits	Annual Increase	MainED Visits	Satellite ED Visits
2010	57,392	--	57,392	
2011	61,477	+7.1%	61,477	
2012	66,288	+7.8%	66,288	
2013	63,996	-3.5%	63,996	
2014	63,693	-0.5%	63,693	
2015	65,285	+2.5%	65,285	
2016	66,917	+2.5%	66,917	
2017-Yr 1	68,590	+2.5%	58,303	10,287
2018-Yr 2	70,305	+2.5%	59,709	10,596
2019-Yr 3	72,063	+2.5%	61,202	10,861
2020-Yr 4	73,864	+2.5%	62,732	11,132
2021-Yr 5	75,711	+2.5%	64,301	11,410
2021 Visits Per Room			1,568	1,426

Source: Joint Annual Reports and hospital management projections.

Following this response are duplicates of Tables Four-C and -D that were provided earlier in the application, in response to Section B.II.D. They show utilization assumptions and the allocation of visits between the main campus and satellite ED's. Table Eight-A above summarizes their utilization history and projections, for convenience of the reviewer. The hospital projects visits to continue increasing at 2.5% per year through CY2021. Visits are expected to be shared with the satellite, with the satellite seeing approximately 15% of the total visits. The hospital staff will work closely with Emergency Medical Services (EMS ambulance transport) and the public to distribute utilization of both locations, to keep average treatment room utilization at both locations as close as possible to between 1,500 and 1,600 visits per room. On the third following page, Table Eight-B projects visits by acuity at the main and satellite ED's.

Table Four-C (Repeated): Gateway Medical Center Emergency Department
Historic and Projected Community Demand for Visits CY2010-CY2021--Without Proposed Satellite
Compared to Planning Standards for Optimal Utilization

		ACTUAL					COMMUNITY DEMAND PROJECTION						
	Year:	2010	2011	2012	2013	2014	2015	2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021
A	Historic & Projected Community Demand for GMC Emergency Visits	57,392	61,477	66,288	63,996	63,693	65,285	66,917	68,590	70,305	72,063	73,864	75,711
B	% Increase Over Prior Year		7.1%	7.8%	-3.5%	-0.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
C	2010-2014 Increase (CAGR)					2.5%							
D	Exam/Treatment Rooms	40	40	40	40	40	40	41	41	41	41	41	41
E	Average Visits/Room	1,435	1,537	1,657	1,600	1,592	1,632	1,632	1,673	1,715	1,758	1,802	1,847
G	Gateway Goal-Optimal Annual Visits/Room	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	% of Standard Currently	95.7%	102.5%	110.5%	106.7%	106.2%	108.8%	108.8%	111.5%	114.3%	117.2%	120.1%	123.1%
	Rooms Needed @ 1,500 Visits/Room	38	41	44	43	42	44	45	46	47	48	49	50
	Additional Rooms Needed to Meet Standard	-2	1	4	3	2	4	4	5	6	7	8	9

Sources:
1. Visits data from hospital records and managment projections.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

Table Four-D: Gateway Medical Center Emergency Department
Actual and Projected Visits CY2010-CY2021--With Proposed Satellite Open in CY2017
Distribution of Visits Between Main and Satellite Emergency Departments

		ACTUAL					PROJECTED						
	Year:	2010	2011	2012	2013	2014	2015	2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021
A	Main Campus Visits	57,392	61,477	66,288	63,996	63,693	65,285	66,917	58,303	59,709	61,202	62,732	64,301
	Main Campus Rooms	40	40	40	40	40	40	41	41	41	41	41	41
	Main Campus Visits/Room	1,435	1,537	1,657	1,600	1,592	1,632	1,632	1,422	1,456	1,493	1,530	1,568
B	Satellite Visits								10,287	10,596	10,861	11,132	11,410
	Satellite Rooms								8	8	8	8	8
	Satellite Visits Per Room								1,286	1,324	1,358	1,392	1,426
C	Total Visits	57,392	61,477	66,288	63,996	63,693	65,285	66,917	68,590	70,305	72,063	73,864	75,711
	Total Rooms	40	40	40	40	40	40	41	49	49	49	49	49
	Total Visits Per Room	1,435	1,537	1,657	1,600	1,592	1,632	1,632	1,400	1,435	1,471	1,507	1,545

Sources: Hospital Records and Management Projections; and Table Five.

Table Eight-B: Gateway Medical Center Emergency Department Patients Presenting 2012-2018 By Level of Acuity							
	2012	2013	2014	2015	2016	Satellite Yr 1 2017	Satellite Yr 2 2018
Main ED							
Level I	419	114	269	281	288	253	260
Level II	5,305	5,431	4,519	5,350	5,484	4,805	4,950
Level III	29,304	27,864	21,259	27,506	28,193	24,705	25,446
Level IV	12,892	13,788	17,001	15,320	15,703	13,760	14,173
Level V	15,513	15,175	17,294	16,828	17,249	15,115	15,568
Sub Total	**63,433**	**62,372**	**60,342**	**65,285**	**66,917**	**58,638**	**60,397**
Satellite ED							
Level I	-	-	-	-	-	44	46
Level II	-	-	-	-	-	843	868
Level III	-	-	-	-	-	4,334	4,465
Level IV	-	-	-	-	-	2,414	2,486
Level V	-	-	-	-	-	2,652	2,731
Sub Total	-	-	-	-	-	**10,287**	**10,596**
Combined ED's						**68,925**	**70,993**

C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

• ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST $3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.

• THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.

• THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.

• FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.

The architect's letter supporting the construction cost estimate is provided in Attachment C, Economic Feasibility--1.

On the Project Costs Chart, following this response:

Line A.1, A&E fees, were estimated by the project architect.

Line A.2, legal, administrative, and consultant fees, include a contingency for expenses of opposition during the review process.

Line A.3, site acquisition cost, is the price of the site and related expenses.

Line A.4, site preparation cost, was estimated by the CHS Development Department.

Line A.5, construction cost, and line A.6, contingency, were estimated by the CHS Development Department, based on current experience with similar projects.

Line A.9 includes miscellaneous minor equipment and furnishings.

PROPOSED EQUIPMENT COSTING $50,000 OR MORE PER UNIT		
Type	**Example / Model**	**Estimated Price**
CT Scanner	GE 64-slice Optima CT660	$525,000
Rad/Fluoro Room	GE	$400,000
Mobile Digital X-Ray	GE Optima XR220 AMX	$153,000
Ultrasound Unit	GE LOGIQ S8	$84,896

PROJECT COSTS CHART--GATEWAY SATELLITE EMERGENCY DEPARTMENT

A.	Construction and equipment acquired by purchase:	
1.	Architectural and Engineering Fees	$ 401,625
2.	Legal, Administrative, Consultant Fees (Excl CON Filing Fee)	205,768
3.	Acquisition of Site	550,000
4.	Preparation of Site	250,000
5.	Construction Cost	5,062,500
6.	Contingency Fund	423,809
7.	Fixed Equipment (Not included in Construction Contract)	
8.	Moveable Equipment (List all equipment over $50,000)	2,500,000
9.	Other (Specify) Non-medical equipment	1,115,000
B.	Acquisition by gift, donation, or lease:	
1.	Facility (inclusive of building and land)	
2.	Building only	
3.	Land only	
4.	Equipment (Specify)	
5.	Other (Specify)	
C.	Financing Costs and Fees:	
1.	Interim Financing	167,277
2.	Underwriting Costs	
3.	Reserve for One Year's Debt Service	
4.	Other (Specify)	
D.	Estimated Project Cost (A+B+C)	10,675,979
E.	CON Filing Fee	24,021
F.	Total Estimated Project Cost (D+E)	TOTAL $ 10,700,000

Actual Capital Cost	10,700,000
Section B FMV	0

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

_____A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

_____B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

_____C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

_____D. Grants--Notification of Intent form for grant application or notice of grant award;

__x__E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or

_____F. Other--Identify and document funding from all sources.

The project will be funded/financed by Community Health Systems, Inc., parent company of the majority owner of the applicant. Documentation of the intention, and the ability, to fund the project are provided in Attachment C, Economic Feasibility--2.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

Hospital construction projects approved by the HSDA in 2011-2014 had the following average construction costs per SF:

Table Three-A (Repeated): Hospital Construction Cost PSF Years: 2011-2013			
	Renovated Construction	New Construction	Total Construction
1st Quartile	$110.98/sq ft	$224.09/sq ft	$156.78/sq ft
Median	$192.46/sq ft	$259.66/sq ft	$227.88/sq ft
3rd Quartile	$297.82/sq ft	$296.52/sq ft	$298.66/sq ft

Source: HSDA, from CON applications approved during 2011-2014.

The Gateway FSED project at Sango is budgeted at $405 PSF overall, higher than the third quartile average cost recorded by the HSDA. However, its construction cost is reasonable for three reasons.

First, a very small project like this can be expected to show a relatively high cost per SF compared to larger projects, because larger projects spread site mobilization and related costs over a larger square footage, when calculating costs PSF.

Second, this project's construction cost will be incurred primarily in CY 2016, which is three years later than the midpoint year of the HSDA Registry cost averages. Increased cost of construction should be expected over a three-year period.

Third, this project's cost estimate is consistent with costs being experienced in other markets where the applicant's development team is building free-standing emergency care facilities such as this.

Table Three-B (Repeated): This Project's Construction Costs			
	Renovation	New Construction	Total Project
Square Feet	0	12,500 SF	12,500 SF
Construction Cost	0	$5,062,500	$5,062,500
Constr. Cost PSF	0	$405	$405

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

See the following pages for these charts, with notes where applicable.

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

HISTORICAL DATA CHART -- GATEWAY MEDICAL CENTER

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

		CY 2012	CY 2013	CY 2014
A. Utilization Data	Admissions	11,248	9,804	9,830
B. Revenue from Services to Patients				
1. Inpatient Services		$ 382,305,331	372,752,500	305,330,314
2. Outpatient Services		335,689,443	358,255,169	466,310,819
3. Emergency Services		70,347,552	78,980,031	86,363,086
4. Other Operating Revenue		1,519,160	1,483,406	1,444,841
(Specify) See notes				
	Gross Operating Revenue	$ 789,861,486	$ 811,471,106	$ 859,449,060
C. Deductions for Operating Revenue				
1. Contractual Adjustments		$ 612,779,627	645,480,920	697,755,808
2. Provision for Charity Care		4,545,048	4,019,934	3,028,563
3. Provisions for Bad Debt		20,542,628	23,923,956	23,257,575
	Total Deductions	$ 637,867,303	$ 673,424,810	$ 724,041,946
NET OPERATING REVENUE		$ 151,994,183	$ 138,046,296	$ 135,407,114
D. Operating Expenses				
1. Salaries and Wages		$ 56,266,139	54,672,095	58,049,984
2. Physicians Salaries and Wages		6,635,388	7,571,646	8,523,871
3. Supplies		27,232,411	26,261,473	25,199,836
4. Taxes		3,731,976	3,257,397	2,988,465
5. Depreciation		11,840,109	10,892,798	10,246,673
6. Rent		2,200,888	1,953,768	1,971,183
7. Interest, other than Capital		2,278,135	964,783	(68,150)
8. Management Fees				
a. Fees to Affiliates		3,098,625	2,734,296	3,084,919
b. Fees to Non-Affiliates		0	0	0
9. Other Expenses (Specify)	See notes	31,805,819	29,641,226	30,473,420
	Total Operating Expenses	$ 145,089,490	137,949,482	140,470,201
E. Other Revenue (Expenses) -- Net (Specify)		$ 2,660,135	$ 2,838,559	$ 2,092,475
NET OPERATING INCOME (LOSS)		$ 9,564,828	$ 2,935,373	$ (2,970,612)
F. Capital Expenditures				
1. Retirement of Principal		$ 5,440,000	$ 5,440,000	$ 4,533,333
2. Interest		665,080	373,396	89,911
	Total Capital Expenditures	$ 6,105,080	$ 5,813,396	$ 4,623,244
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 3,459,748	$ (2,878,023)	$ (7,593,856)

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

HISTORICAL DATA CHART – GATEWAY EMERGENCY DEPARTMENT

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

		CY 2012	CY 2013	CY 2014
A.	Utilization Data Visits (JAR)	66,288	63,996	63,693
B.	Revenue from Services to Patients			
1.	Inpatient Services	$		
2.	Outpatient Services	97,388,120	97,781,621	101,211,404
3.	Emergency Services	85,290,560	85,635,180	88,638,915
4.	Other Operating Revenue	0	0	0
	(Specify) See notes			
	Gross Operating Revenue	$ 182,678,680	$ 183,416,802	$ 189,850,319
C.	Deductions for Operating Revenue			
1.	Contractual Adjustments	$ 153,815,310	154,436,808	159,853,824
2.	Provision for Charity Care	602,668	605,104	626,328
3.	Provisions for Bad Debt	4,943,285	4,963,258	5,137,349
	Total Deductions	$ 159,361,263	$ 160,005,170	$ 165,617,502
NET OPERATING REVENUE		$ 23,317,417	$ 23,411,632	$ 24,232,817
D.	Operating Expenses			
1.	Salaries and Wages	$ 8,292,132	8,125,501	8,208,335
2.	Physicians Salaries and Wages	0	0	0
3.	Supplies	1,514,215	1,476,929	1,484,936
4.	Taxes	0	0	0
5.	Depreciation	71,523	59,908	56,771
6.	Rent	0	0	0
7.	Interest, other than Capital	0	0	0
8.	Management Fees	0	0	0
	a. Fees to Affiliates	0	0	0
	b. Fees to Non-Affiliates	0	0	0
9.	Other Expenses (Specify) See notes	2,714,931	2,794,340	3,179,407
	Total Operating Expenses	$ 12,592,801	12,456,679	12,929,449
E.	Other Revenue (Expenses) -- Net (Specify)	$	$	$
NET OPERATING INCOME (LOSS)		$ 10,724,616	$ 10,954,953	$ 11,303,368
F.	Capital Expenditures			
1.	Retirement of Principal	$	$	$
2.	Interest			
	Total Capital Expenditures	$ 0	$ 0	$ 0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 10,724,616	$ 10,954,953	$ 11,303,368

ED HISTORICAL DATA CHART--OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year 2012	Year 2013	Year 2014
1. Repairs & Maintenance	$ 3,503	$ 3,684	$ 3,892
2. Medical Specialty Fees	692,838	871,310	1,194,291
3. Continuing Education	32,391	15,190	10,631
4. Equipment Maintenance	1,986,199	1,904,156	1,970,593
Total Other Expenses	$2,714,931	$2,794,340	$3,179,407

PROJECTED DATA CHART--OTHER OPERATING REVENUE

B.4 OTHER OPERATING REVENUE CATEGORIES	Year 2017	Year 2018
1. Cafeteria Revenue	$1,097,658	$1,108,634
2. Training Revenue	225	225
3. Medical Records/Abstracting	12,119	12,240
4. Rental Income	106,066	107,126
5. Grant Income	50,000	50,000
6. Other Misc Revenue	250,000	250,000
Total Other Operating Revenue	$1,516,067	$1,528,226

PROJECTED DATA CHART--OTHER EXPENSES

D.9 OTHER EXPENSES CATEGORIES	Year 2017	Year 2018
1. Medical Spec Fees	$5,034,851	$5,067,050
2. Purchased Services	11,662,235	11,778,858
3. Physician Recruiting	30,000	30,000
4. Repairs & Maintenance	5,072,316	5,459,736
5. Marketing	425,000	410,000
6. Utilities	2,358,129	2,381,071
7. Other Operating Expense	1,259,276	1,271,482
8. Insurance	7,391,410	7,465,144
Total Other Expenses	$33,233,218	$33,863,341

PROJECTED DATA CHART --GATEWAY SATELLITE EMERGENCY DEPARTMENT

Give information for the two (2) years following the completion of this proposal.
The fiscal year begins in January.

		CY 2017	CY 2018
A.	Utilization Data Visits	10,287	10,596
B.	Revenue from Services to Patients		
	1. Inpatient Services	$	$
	2. Outpatient Services	18,135,981	19,427,978
	3. Emergency Services	15,883,128	17,014,633
	4. Other Operating Revenue (Specify)		
	Gross Operating Revenue	$ 34,019,109	$ 36,442,611
C.	Deductions for Operating Revenue		
	1. Contractual Adjustments	$ 28,644,064	$ 30,689,275
	2. Provision for Charity Care	112,231	115,602
	3. Provisions for Bad Debt	920,557	986,137
	Total Deductions	$ 29,676,852	$ 31,791,014
NET OPERATING REVENUE		$ 4,342,257	$ 4,651,597
D.	Operating Expenses		
	1. Salaries and Wages	$ 2,748,572	$ 2,789,801
	2. Physicians Salaries and Wages	0	0
	3. Supplies	161,197	167,700
	4. Taxes	164,187	164,187
	5. Depreciation	681,697	681,697
	6. Rent	0	0
	7. Interest, other than Capital	0	0
	8. Management Fees		
	a. Fees to Affiliates	0	0
	b. Fees to Non-Affiliates		
	9. Other Expenses (Specify) See notes	115,720	457,863
	Total Operating Expenses	$ 3,871,373	$ 4,261,247
E.	Other Revenue (Expenses) -- Net (Specify)	$	$
NET OPERATING INCOME (LOSS)		$ 470,883	$ 390,349
F.	Capital Expenditures		
	1. Retirement of Principal	$	$
	2. Interest		
	Total Capital Expenditures	$ 0	$ 0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 470,883	$ 390,349

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

PROJECTED DATA CHART –GATEWAY EMERGENCY DEPARTMENT (CONSOLIDATED)

Give information for the two (2) years following the completion of this proposal.
The fiscal year begins in January.

		CY 2017	CY 2018
A.	Utilization Data Visits	68,590	70,305
B.	Revenue from Services to Patients		
	1. Inpatient Services	$	$
	2. Outpatient Services	120,924,170	128,905,624
	3. Emergency Services	105,902,960	112,892,957
	4. Other Operating Revenue (Specify)		
	Gross Operating Revenue	$ 226,827,130	$ 241,798,580
C.	Deductions for Operating Revenue		
	1. Contractual Adjustments	$ 190,988,272	$ 203,624,903
	2. Provision for Charity Care	748,317	767,028
	3. Provisions for Bad Debt	6,137,942	6,543,070
	Total Deductions	$ 197,874,531	$ 210,935,000
NET OPERATING REVENUE		$ 28,952,599	$ 30,863,581
D.	Operating Expenses		
	1. Salaries and Wages	$ 10,417,407	$ 10,573,668
	2. Physicians Salaries and Wages	0	0
	3. Supplies	1,617,896	1,655,787
	4. Taxes	164,187	164,187
	5. Depreciation	681,697	681,697
	6. Rent	0	0
	7. Interest, other than Capital	0	0
	8. Management Fees		
	a. Fees to Affiliates	0	0
	b. Fees to Non-Affiliates	0	0
	9. Other Expenses (Specify) See notes	3,995,248	4,337,391
	Total Operating Expenses	$ 16,876,435	$ 17,412,730
E.	Other Revenue (Expenses) -- Net (Specify)	$	$
NET OPERATING INCOME (LOSS)		$ 12,076,164	$ 13,450,850
F.	Capital Expenditures		
	1. Retirement of Principal	$	$
	2. Interest		
	Total Capital Expenditures	$ 0	$ 0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 12,076,164	$ 13,450,850

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

PROJECTED DATA CHART –GATEWAY MEDICAL CENTER

Give information for the two (2) years following the completion of this proposal.
The fiscal year begins in January.

		CY 2017	CY 2018
A. Utilization Data	Admissions	10,752	11,075
B. Revenue from Services to Patients			
1. Inpatient Services		$ 372,747,247	$ 398,839,555
2. Outpatient Services		569,272,248	609,121,305
3. Emergency Services		105,432,055	112,812,299
4. Other Operating Revenue (Specify)		1,516,067	1,528,226
	Gross Operating Revenue	$ 1,048,967,618	$ 1,122,301,385
C. Deductions for Operating Revenue			
1. Contractual Adjustments		$ 872,598,465	$ 938,091,397
2. Provision for Charity Care		3,697,270	3,956,079
3. Provisions for Bad Debt		28,385,064	30,369,475
	Total Deductions	$ 904,680,799	$ 972,416,951
NET OPERATING REVENUE		$ 144,286,819	$ 149,884,434
D. Operating Expenses			
1. Salaries and Wages		$ 60,371,983	$ 61,277,563
2. Physicians Salaries and Wages		7,691,859	7,895,693
3. Supplies		26,852,386	27,894,126
4. Taxes		3,152,652	3,152,652
5. Depreciation		10,928,370	10,928,370
6. Rent		2,067,183	2,067,183
7. Interest, other than Capital		(31,367)	31,115
8. Management Fees			
a. Fees to Affiliates		3,287,221	3,414,749
b. Fees to Non-Affiliates		0	0
9. Other Expenses (Specify)	See notes	33,233,218	33,863,341
	Total Operating Expenses	$ 147,553,506	$ 150,524,793
E. Other Revenue (Expenses) -- Net (Specify)		$ 2,100,000	$ 2,100,000
NET OPERATING INCOME (LOSS)		$ (1,166,687)	$ 1,459,641
F. Capital Expenditures			
1. Retirement of Principal		$ 4,533,333	$ 4,533,333
2. Interest		89,911	89,911
	Total Capital Expenditures	$ 4,623,244	$ 4,623,244
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ (5,789,931)	$ (3,163,603)

HISTORIC DATA CHART--GATEWAY MEDICAL CENTER		CY 2012	CY 2013	CY 2014
4. Other Operating Revenue (Specify)	See notes	1,519,160	1,483,406	1,444,841
	CAFETERIA REVENUE	1,120,246	1,035,222	1,065,687
	TRAINING REVENUE	5,112	4,621	220
	MED.RECORDS/ABSTRACT	16,340	10,574	11,766
	RENTAL INCOME	22,574	26,251	102,976
	GAIN/LOSS DISP F/A	(62,005)	1,873	(7,235)
	GRANT INCOME	87,755	84,800	52,262
	OTHER MISC REVENUE	329,139	320,064	219,163
		1,519,160	1,483,405	1,444,839
		(0.08)	(0.66)	(2.11)
9. Other Expenses (Specify)	See notes	31,805,819	29,641,226	30,473,420
	Medical Spec Fees	4,190,188	3,844,812	3,135,874
	Purchased Services	12,160,665	11,079,621	13,333,564
	Physician Recruiting	(17,685)	31,831	51,865
	Repairs and Maintance	3,112,483	2,852,536	2,968,323
	Marketing	321,203	387,034	284,080
	Utilities	2,127,200	2,094,376	2,227,310
	Other Operating Exp	1,251,582	1,185,006	1,313,754
	Insurance	8,660,183	8,166,010	7,158,650
	Total Other	31,805,819	29,641,226	30,473,420
E. Other Revenue (Expenses) -- Net (Specify)		$ (2,660,135)	$ (2,838,559)	$ (2,092,475)
	HITECH Incentives	(2,070,362)	(2,157,145)	(1,556,229)
	Equity & Earning - UnconSub	(589,773)	(681,414)	(536,246)
		(2,660,135)	(2,838,559)	(2,092,475)

PROJECTED DATA CHART--SATELLITE ED		CY2017	CY2018
D. Other Expenses (Specify)	See Notes	115,720	457,863
	Marketing/Community Awareness	25,000	10,000
	Reimbursed Mileage	1,720	1,720
	Continuing Education	1,000	1,000
	Utilities	64,000	64,000
	Property Insurance	18,000	18,000
	Groundskeeping	6,000	6,000
	Equipment Maintenance Contracts	-	357,143
		115,720	457,863

PROJECTED DATA CHART--CONSOLIDATED ED		CY2017	CY2018
D. Other Expenses (Specify)	See Notes	3,995,248	4,337,391
	Repairs & Maintenance	48,000	48,000
	Med Spec Fees	1,804,901	1,804,901
	Marketing/Community Awareness	25,000	10,000
	Reimbursed Mileage	1,720	1,720
	Continuing Education	31,000	31,000
	Utilities	64,000	64,000
	Property Insurance	18,000	18,000
	Groundskeeping	6,000	6,000
	Equipment Maintenance Contracts	1,996,627	2,353,770
		3,995,248	4,337,391

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Nine--A: Gateway Emergency Department Average Charge Data for Satellite ED at Sango		
	CY2017	**CY2018**
Visits	10,287	10,596
Average Gross Charge Per Visit	$3,307	$3,439
Average Deduction from Operating Revenue	$2,885	$3,000
Average Net Operating Income	$422	$439
Average Net Operating Income Per Visit After Expenses	$46	$37

Table Nine-B: Gateway Emergency Department Average Charge Data for Consolidated ED (Main Campus and Satellite)		
	CY2017	**CY2018**
Visits	68,590	70,305
Average Gross Charge Per Visit	$3,307	$3,439
Average Deduction from Operating Revenue	$2,885	$3,000
Average Net Operating Income	$422	$439
Average Net Operating Income Per Visit After Expenses	$176	$191

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

Table Eleven in the response to question C(II) 6.B below provides the hospital's current average gross charges by level of care (5 = highest acuity and most resource-intensive patients). It provides current Medicare reimbursement by level of care. It projects the Years One and Two charges by level of care, for the proposed I-65 satellite ED.

The Projected Data Charts for the main campus and satellite ED show that both will have a positive operating margin and that this project therefore will have no adverse impact on the hospital's other charges.

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

The projected average gross charge for this satellite ED in CY2017 is $3307 in its Projected Data Chart, the same as for the main hospital in its Projected Data Chart.

The applicant does not have access to the Tennessee Hospital Association's comparative charge data for other emergency services in Middle Tennessee. However, research of public records at the HSDA identified recent ED charge data submitted in other CON applications for Middle Tennessee, which may be useful. Table Ten below presents that data from one such publicly available application, with Gateway data added to the table. "Case" was assumed to equate to "visit" in the data.

Table Eleven on the following page shows this project's levels of care, with their current average and projected average gross charges, and current Medicare reimbursement.

Table Ten: Gateway Medical Center Emergency Department Proposed Satellite ED Gross Charge Per Case in CY2017 Compared to Other Area Providers in CY2014 and 2017

Hospital Emergency Departments in Davidson and Williamson Counties	Average Gross Charge Per Case
A in CY2014	$13,302
B in CY2014	$12,847
C in CY2014	$12,075
D in CY2014	$11,326
E in CY2014	$9,680
F in CY2014	$7,796
G in CY2017 (proposed)	$6,185
H in CY2014	$5,223
I in CY2014	$4,720
J in CY2014	$3,239
Unweighted Average of Ten Providers	*$8,639*
Gateway Med. Center Satellite ED in CY 2017 (proposed)	***$3,307***

Source: CN 1412-0150 for data in A-J.

Table Eleven: Gateway Medical Center Emergency Department Current and Projected Gross Charges By Level of Care and Current Medicare Reimbursement					
HCA Level of Service	**CPT Code**	**2014 Medicare Reimbursement**	**YTD 2014 Current Charge**	**Year One 2017 Projected Charge**	**Year Two 2018 Projected Charge**
Level One	99281	$48.04	$285.56	$321.22	$334.06
Level Two	99282	$87.10	$466.17	$524.38	$545.35
Level Three	99283	$143.67	$738.63	$830.86	$864.09
Level Four	99284	$253.51	$1,177.12	$1,324.10	$1,377.06
Level Five	99285	$393.53	$1,749.64	$1,968.11	$2,046.83

Source: Hospital management. Level Five is highest level

HCPCS	Description
99281	Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: A problem focused history; A problem focused examination; and ***Straightforward*** medical decision making. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are self limited or minor
99282	Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: An ***expanded*** problem focused history; An expanded problem focused examination; and Medical decision making of ***low*** complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of ***low to moderate*** severity.
99283	Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: An ***expanded*** problem focused history; An ***expanded*** problem focused examination; and Medical decision making of ***moderate*** complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of ***moderate*** severity.
99284	Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: A ***detailed*** history; A ***detailed*** examination; and Medical decision making of ***moderate*** complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of ***high*** severity, and require ***urgent*** evaluation by the physician or other qualified health care professionals but ***do not*** pose an immediate significant threat to life or physiologic function.
99285	Emergency department visit for the evaluation and management of a patient, which requires these 3 key components ***within the constraints imposed by the urgency of the patient's clinical condition and/or mental status***: A ***comprehensive*** history; A ***comprehensive*** examination; and Medical decision making of ***high*** complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of ***high*** severity and pose an ***immediate*** significant threat to life or physiologic function.

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

The proposed satellite ED will have the same charge structure as the main ED. It will have a positive cash flow its first two years and thereafter. The two departments consolidated will operate with a positive financial margin and will have a positive cash flow.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

The proposed satellite ED will have a positive operating margin on the HSDA Projected Data Chart; and it will have a positive cash flow.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

The satellite ED, like the main campus ED, will treat all patients requiring emergency care, regardless of financial resources. This is a requirement of State law and of Federal rules for Medicare participation. Table Twelve below shows the gross revenues projected for Medicare and Medicare patients in Year One of the satellite's operation.

Table Twelve: Medicare and TennCare/Medicaid Revenues, Year One		
	Medicare	**TennCare/Medicaid**
Gross Revenue	$7,144,013	$8,164,586
Percent of Gross Revenue	21%	24%

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

The alternative of expanding the ED on its present campus at Exit 4 was considered but rejected for several reasons. First, the disruption that significant construction on-site would cause, in a critically important and time-sensitive service that is already challenged to meet the needs of arriving patients within optimal response times. Second, because on-site expansion would do nothing to improve accessibility to care for residents and travelers in the central and southern sectors of Montgomery County.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AND/OR WORKING RELATIONSHIPS, E.G., TRANSFER AGREEMENTS, CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

Gateway Medical Center is a joint venture partner with Vanderbilt in the Vanderbilt-Gateway Cancer Center, G.P. in Clarksville. It is a joint venture partner with local physicians in a local outpatient diagnostic facility, Clarksville Imaging Center, LLC.

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

The project will have only positive effects on the local health care system. It will shorten the time required for emergency patients to access care--both in terms of (a) shorter drive times to a site of emergency care, and (b) avoiding increased wait times at the main campus ED as its visits increase beyond acceptable levels for a 41-room Department.

Satellite freestanding emergency care facilities are being deployed all over the United States. They are an effective way to extend needed emergency care services into new or smaller communities where a hospital would be financially unfeasible or premature.

Two questions are often raised about their value for persons arriving with heart attack symptoms, or women arriving in labor with a delivery imminent.

With respect to patients with possible cardiac distress, the faster a patient can reach an emergency medical team, the better the outcome, on average. Morbidity and mortality are significantly reduced when symptoms can be rapidly diagnosed as myocardial infarction ("MI" or heart attack), and initial therapy can begin. The initial therapy seeks restoration of perfusion as quickly as possible so minimize destruction of heart muscle from lack of blood circulation. Treatment seeks to restore the balance between oxygen supply and demand, to prevent further ischemia, pain, and complications.

The time factor for those patients is critical. Many victims do not know that they are having a heart attack. Approximately 65% of heart attack deaths occur in the first hour of distress. Of those deaths, more than half (60%) could have been prevented by rapid access to defibrillation by experienced emergency physicians at an ED. The

provision of such medical teams at Exit 11 will shorten access times for heart attack patients and will definitely save lives.

With respect to women in labor presenting at the FSED, that is a very manageable situation. Any pregnant woman coming to the FSED will have an immediate medical screen by an ED physician. If active labor is identified, and it is safe to transfer the patient to the main hospital, that will be done by ambulance. If transport would not be safe or timely, then both the ED physicians and the ED nurses are trained to deliver babies. Even hospital-based ED's often perform emergency deliveries in the ED due to imminent birth. The staff at this satellite ED will be well-equipped to meet such women's needs.

With regard to impact of the project on other providers, that will be minimal -- although it is difficult to quantify impact, without information on the destination of area residents who are going to other emergency rooms. At its current and projected annual growth rates, Gateway Medical Center has more than enough visits to meet utilization projections at both the main ED and the satellite ED, without significantly impacting other hospital ED's, and without increasing market share. This is a very rapidly growing service area.

It should also be understood that without the satellite, Gateway would have to find a way to expand its main campus ED. That would have almost the same impact on other providers in other counties (whatever that impact might be).

The satellite project simply allows Gateway to deliver its projected emergency care at two convenient locations, and to continue to serve its historic market share without queuing up patients and increasing their waiting time at either location.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Table Thirteen below shows the Clarksville region's annual salary information for clinical employees of this project, as surveyed by the Department of Labor and Workforce Development in 2015. Please see the following page for Table Fourteen, projected FTE's and salary ranges.

Table Thirteen: TDOL Surveyed Average Salaries for the Region				
Position	**25%**	**Mean**	**Median**	**75%**
RN*	$45,582	$59,109	$58,992	$65,872
ER Tech	$23,589	$29,936	$27,607	$32,531
Radiology Tech	$40,200	$48,719	$47,241	$58,293
Lab Technol.	$47,015	$54,941	$54,545	$62,313

**Not found in 2015 Clarksville survey on website; data is from Nashville MSA in 2014*

Table Fourteen: Gateway Medical Center Emergency Department Staffing Requirements

Position Type (RN, etc.)	Current FTE's	Year One FTE's			Year Two FTE's			Annual Salary Range
		Hospital	Satellite	Total	Hospital	Satellite	Total	
RN	59.6	53.3	14.7	68.0	53.3	14.7	68.0	$45,760 - $70,720
ER Tech	27.9	23.7	6.3	30.0	23.7	6.3	30.0	$23,067 - $34,611
Charge Nurse	4.2	4.2	-	4.2	4.2	-	4.2	$46,904 - $75,046
Registrar	16.8	14.8	6.3	21.1	14.8	6.3	21.1	$20,509 - $30,763
Financial Counselor	4.2	4.2	2.1	6.3	4.2	2.1	6.3	$23,067 - $34,611
EVS Tech	4.2	4.2	1.4	5.6	4.2	1.4	5.6	$15,371 - $23,067
Rad Tech	11.9	10.9	1.0	11.9	10.9	1.0	11.9	$32,843 - $52,562
CT Tech	5.5	4.9	4.2	9.1	4.9	4.2	9.1	$41,600 - $66,560
Ultrasonographer	4.2	4.2	4.2	8.4	4.2	4.2	8.4	$46,779 - $74,880
Med Tech	8.7	7.7	6.3	14.0	7.7	6.3	14.0	$36,962 - $59,134
Manager	1.0	1.0	1.0	2.0	1.0	1.0	2.0	$59,197 - $94,723
Director	1.0	1.0	-	1.0	1.0	-	1.0	$84,282 - $134,867
Department Secretary	1.0	1.0	-		1.0		1.0	$25,958 - $41,517
Educator	1.0	1.0	-	1.0	1.0	-	1.0	$52,624 - $84,198
Security Guard	4.2	4.2	2.1	6.3	4.2	2.1	6.3	$20,509 - $30,763
Total FTE's	155.4	140.3	49.6	189.9	140.3	49.6	189.9	

Source: Hospital management.

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

The applicant is an experienced operator of acute care emergency services, and is aware of State licensing requirements for both facilities and personnel of this project.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

The applicant participates in health professional training contracts with several institutions, providing training rotations currently for approximately 288 students per year, in program categories of Registered Nurse, Medical Technologist, Physical Therapist, Occupational Therapist, Respiratory Therapist, Radiologic Technologist, Cardiographer, HIM, Clinical Dietitian, and Certified Registered Nurse Anesthetist.

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE:	Board for Licensure of Healthcare Facilities Tennessee Department of Health
CERTIFICATION:	Medicare Certification from CMS TennCare Certification from TDH
ACCREDITATION:	Joint Commission

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission.

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and/or the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C).

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

October 28, 2015

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	2	11-15
2. Construction documents approved by TDH	92	2-16
3. Construction contract signed	104	2-28
4. Building permit secured	121	3-16
5. Site preparation completed	136	4-16
6. Building construction commenced	166	5-16
7. Construction 40% complete	256	8-16
8. Construction 80% complete	316	10-16
9. Construction 100% complete	376	12-16
7210. * Issuance of license	405	12-16
11. *Initiation of service	406	1-17
12. Final architectural certifi466cation of payment	466	3-17
13. Final Project Report Form (532HF0055)	532	5-17

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INDEX OF ATTACHMENTS

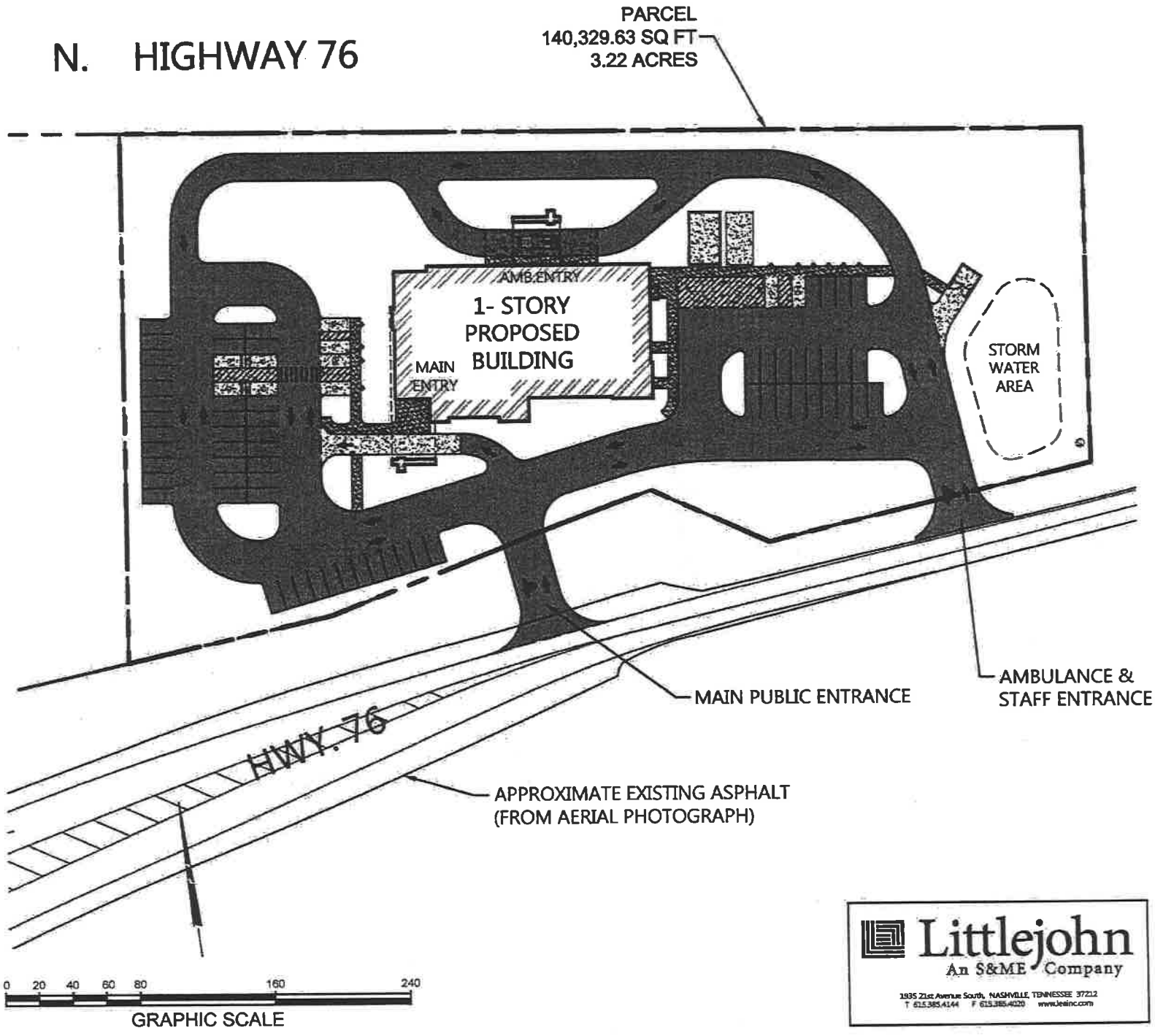
B.II.A.--Square Footage and Costs Per Square Footage Chart

GATEWAY MEDICAL CENTER SATELLITE EMERGENCY DEPARTMENT

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost / SF		
					Renovated	New	Total	Renovated	New	Total
Public Areas						1,154	1,154		$298.31	$344,249.74
Patient Treatment						4,063	4,063		$596.81	$2,424,839.03
Staff Areas						2,291	2,291		$392.37	$898,917.38
B. Unit/Dept. GSF Sub-Total						7,508	7,508		$488.55	$3,668,006.15
C. Mechanical / Electrical GSF						700	700		$290.18	$203,123.37
D. Circulation / Structure GSF						4,292	4,292		$277.58	$1,191,370.48
E. Total GSF						12,500	12,500		$405.00	$5,062,500.00

B.III.--Plot Plan



Littlejohn
An S&ME Company
1935 21st Avenue South, NASHVILLE, TENNESSEE 37212
T 615.385.4144 F 615.385.4020 www.jeainc.com

HFR DESIGN
214 Centerview Drive Suite 300
Brentwood, TN 37027
p 615.370.8500
f 615.370.8530
hfrdesign.com

GATEWAY MEDICAL CENTER
SATELLITE ED
–
CLARKSVILLE, TN 37043

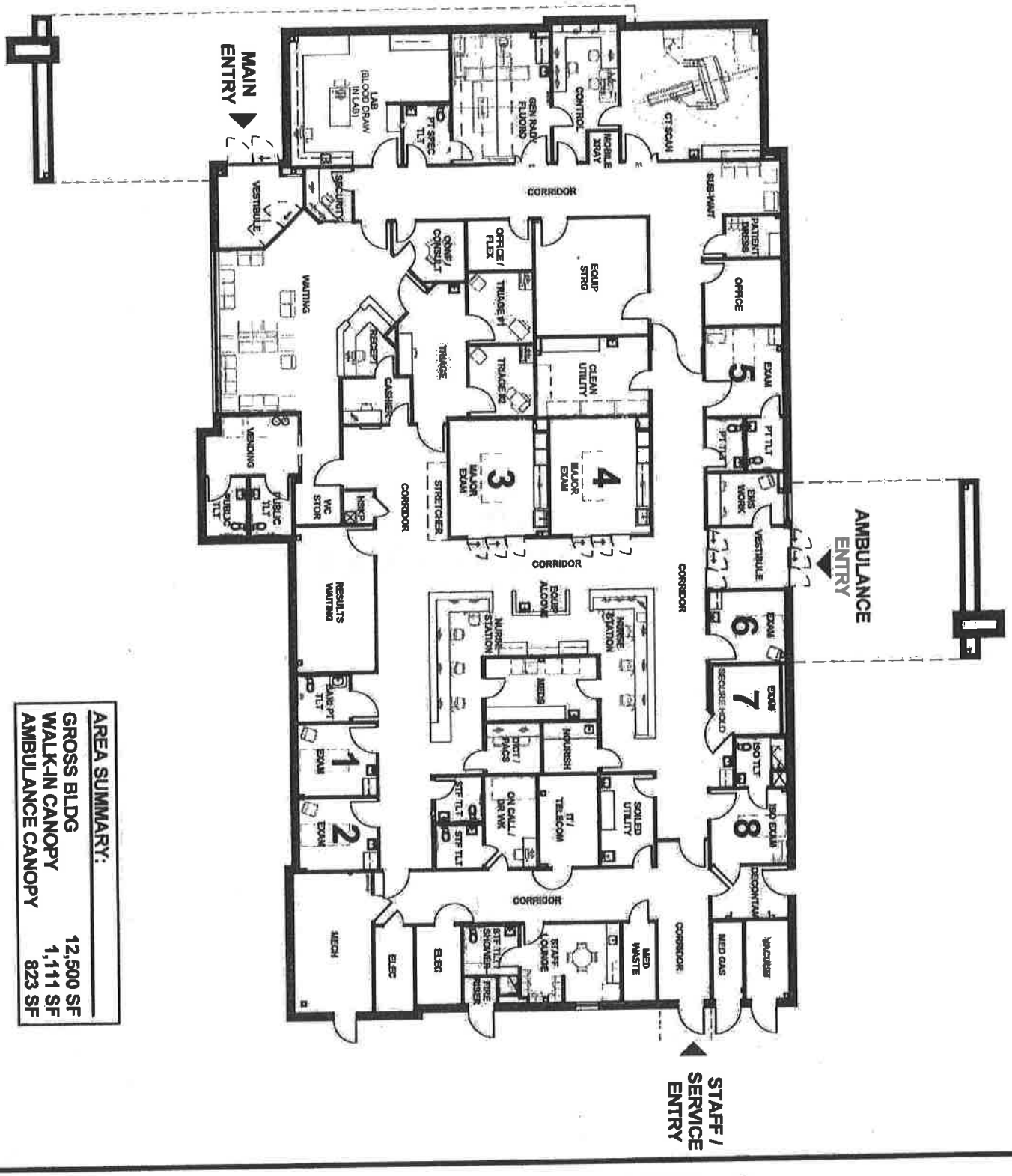
103

HFR PROJECT NO.: –
DATE: JUNE 30, 2015
PM REVIEWER: – –
QC REVIEWER: – –

FLOOR PLAN

C 1.00

B.IV.--Floor Plan



AREA SUMMARY:	
GROSS BLDG	12,500 SF
WALK-IN CANOPY	1,111 SF
AMBULANCE CANOPY	823 SF

G 1.00

FLOOR PLAN

HFR PROJECT NO.:
DATE: JULY 1, 2015
PM REVIEWER:
QC REVIEWER:

GATEWAY MEDICAL CENTER
SATELLITE ED

CLARKSVILLE, TN 37043

HFR DESIGN
214 Centerview Drive Suite 300
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C, Need--3
Service Area Maps

HFR DESIGN
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hfrdesign.com

GATEWAY MEDICAL CENTER
SATELLITE ED
–
–
CLARKSVILLE, TN 37043

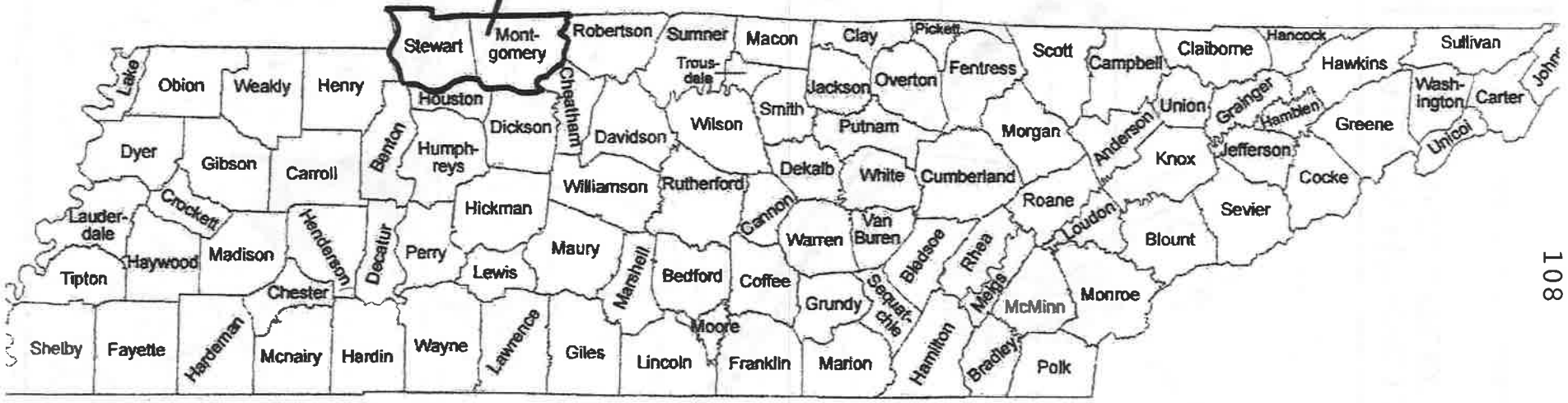
HFR PROJECT NO.: –
DATE: JUNE 30, 2015
PM REVIEWER: –
QC REVIEWER: –

vicinity Map

C 0.00

TENNESSEE PRIMARY SERVICE AREA

GATEWAY MEDICAL CENTER EMERGENCY DEPARTMENT



GATEWAY MEDICAL CENTER EMERGENCY DEPARTMENT

C, Economic Feasibility--1
Documentation of Construction Cost Estimate

HFR DESIGN
214 Centerview Dr.
Suite 300
Brentwood, TN 37027
615-370-8500
hfrdesign.com

June 30, 2015

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: **Certificate of Need Application**
Gateway Medical Center Satellite E.D. at Sango

To Whom It May Concern:

The project consists of new construction to create an approximately 12,500 SF freestanding emergency department. Based on historical cost data of similar projects, we believe a reasonable total construction cost estimate for this project is $5,062,500.00.

Additionally, this project will be designed and built to conform with all applicable codes referenced below.

- **State of TN Department of Health Code Requirements:**
  2012 International Building Code (IBC)
  2012 LSC - NFPA – 101 Life Safety Code
  2012 International Fire Code (IFC)
  2012 International Plumbing Code (IPC)
  2012 International Mechanical Code (IMC)
  2009 International Energy Conservation Code (IECC)
  2011 National Electric Code (NEC)
  2012 International Fuel Gas Code
  1999 – 2004 North Carolina Accessibility Code with 2004 Amendments
  2004 ADA Americans with Disabilities Act Accessibility Guidelines
  FGI (formally AIA) Guidelines for Design and Construction of Hospital and Health Care Facilities.

- **City of Clarksville, TN Code Requirements:**
  2009 International Building Code (IBC) (Including appendix C, D, F)
  2008 National Electrical Code (NEC)
  2009 International Plumbing Code (IPC) (Including appendix F)
  2009 International Mechanical Code (IMC) (Including appendix A)
  2009 International Fuel Gas Code (Including appendix C)
  2002 North Carolina State Building Code Volume I-C (with 2004 amendments) H/C Code
  2006 Edition of NFPA
  2006 International Energy Code
  City of Clarksville Property Maintenance Code

Should you have any questions or require further information, please do not hesitate to contact our office.

Sincerely,

Martin L. Franks
Vice President / Project Manager

pc: File

C, Economic Feasibility--2
Documentation of Availability of Funding

CHS

July 8, 2015

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
500 Deaderick Street, 9th Floor
Nashville, TN 37243

COMMUNITY
HEALTH
SYSTEMS

4000 Meridian Boulevar
Franklin, TN 37067
Tel: (615) 465-7000

P.O. Box 689020
Franklin, TN 37068-902

Re: Funding Support for Certificate of Need Application Gateway Medical Center

Dear Ms. Hill:

CHS / Community Health Systems, Inc., the parent of Clarksville Health System, G.P., d/b/a Gateway Medical Center, the entity which operates Gateway Medical Center, has internal funds available for the commitment to the following project, with an approximate project cost of $10,700,000.00. CHS/Community Health Systems, Inc. had cash flow from operating activities of $1,615 million in its fiscal year ending 12/31/14, and currently maintains a $1,000 million revolving credit facility with excess of $917 million as of 6/30/15 available to fund future cash needs. CHS / Community Health Systems, Inc. is committed to this project and will advance funds as necessary to complete this project.

Should you need anything further, I can be reached at 615-465-7189.

Regards,

James W. Doucette

James W. Doucette
Senior Vice President Finance and Treasurer

C, Economic Feasibility--10
Financial Statements

GATEWAY - CLARKSVILLE, TN 9553 DATE: 7/08/15
INCOME STATEMENT D-57 TIME: 15:57:56
FOR 12TH MONTH ENDED
DECEMBER 31, 2014

MONTH ACTUAL	MONTH BUDGET	MONTH PR. YR.		YEAR-TO-DATE ACTUAL	YEAR-TO-DATE BUDGET	YEAR-TO-DATE PR. YR.
3,349	3,523	3,206	TOTAL PATIENT DAYS BY PAYOR	35,792	40,625	36,413
108.0	113.6	103.4	AVERAGE DAILY CENSUS	98.1	111.3	99.8
			Patient Revenue:			
8,372,117	8,266,564	7,377,191	Inpatient Routine	85,103,653	91,986,212	79,024,829
30,394,090	30,438,833	26,771,790	Inpatient Ancillary	306,589,747	338,030,261	305,972,411
43,029,184	41,461,583	36,159,164	Outpatient	466,310,819	460,295,702	424,990,460
81,795,391	80,166,980	70,308,145	Total Patient Revenue	858,004,219	890,312,175	809,987,700
			Deductions From Revenue:			
18,862,127	19,395,804	14,758,300	I/P - M/M Contractual	182,450,620	214,598,311	183,063,669
15,948,018	15,481,113	12,566,042	O/P - M/M Contractual	166,419,020	171,230,467	151,993,173
33,365,737	30,435,608	27,130,273	Other Contractual Adj.	350,676,536	337,346,007	312,706,979
841,575	00	1,480,543	Prior Year Adjustments	841,575	00	1,480,543
33,713	00	63,517	Courtesy Discounts	396,620	4,121	256,490
69,051,170	65,312,525	55,998,675	Total Deductions From Revenue	700,784,371	723,178,906	649,500,854
12,744,221	14,854,455	14,309,470	Net Pt Rev Before Bad Dbt	157,219,848	167,133,269	160,486,846
(85,196)	2,014,689	2,659,519	Provision for Bad Dbt	23,257,575	22,654,034	23,923,956
12,829,417	12,839,766	11,649,951	Net Pt Rev After Bad Dbt	133,962,273	144,479,235	136,562,890
116,473	127,082	116,667	Other Revenue	1,444,841	1,524,985	1,483,406
12,945,890	12,966,848	11,766,618	Net Revenue	135,407,114	146,004,220	138,046,296
			Operating Expenses:			
4,812,276	4,545,238	4,369,420	Salaries & Wages	54,984,611	52,773,711	51,532,996
(247,646)	544,097	399,370	Benefits	8,757,439	10,414,314	9,730,606
229,123	00	58,440	Contract Labor	2,831,805	00	980,139
2,470,748	2,479,196	2,439,579	Supplies	25,199,836	28,431,990	26,261,473
197,575	267,640	322,660	Medical Spec Fees	3,135,874	3,495,014	3,844,812
2,684,046	945,007	835,677	Purchased Services	13,333,564	11,379,002	11,079,621
1,091	00	00	Physician Recruiting	51,865	00	31,831
274,829	291,906	297,045	Repairs & Maintenance	2,968,323	3,503,340	2,852,536
38,865	33,333	31,176	Marketing	284,080	400,000	387,034
148,680	186,687	160,651	Utilities	2,227,310	2,280,949	2,094,376
137,791	100,487	109,056	Other Operating Exp	1,313,754	1,274,299	1,185,006
(978,506)	994,041	216,539	Prop Taxes & Ins	10,147,115	12,942,146	11,423,407
(114,340)	(1,022,870)	(1,403,392)	HITECH Incentives	(1,556,229)	(1,577,191)	(2,157,145)
(106,701)	(57,244)	(65,900)	Equity & Earn - Uncon Subs	(536,246)	(686,926)	(681,414)
9,547,831	9,307,518	7,770,321	Total Operating Expenses	123,143,101	124,630,648	118,565,278
3,398,059	3,659,330	3,996,297	Operating Margin	12,264,013	21,373,572	19,481,018
187,898	167,662	164,690	Rent	1,971,183	1,996,402	1,953,768
3,210,161	3,491,668	3,831,607	E.B.I.T.D.A.	10,292,830	19,377,170	17,527,250
827,502	885,227	857,850	Depreciation and Amortization	10,246,673	10,748,140	10,892,798
2,382,659	2,606,441	2,973,757	E.B.I.T.	46,157	8,629,030	6,634,452
2,496	2,426	5,667	Interest	35,181	29,108	35,083
638,722	578,549	591,948	Minority Interest	(103,331)	1,094,169	929,700
1,741,441	2,025,466	2,376,142	Pre-Tax Profit	114,307	7,505,753	5,669,669
23,175	261,088	(137,672)	Corp Mgmt Fees	3,084,919	3,133,055	2,734,296
763			TOTAL SURGERY CASES	8,847		
914	957	862	TOTAL ADMISSIONS	9,827	10,865	9,802
181	181	165	TOTAL DELIVERIES	2,160	2,050	1,902
15,203	16,175	13,273	TOTAL O/P REGS INCL ALL VISITS	168,146	183,828	162,869
5,493	6,062	5,475	TOTAL E.R. VISITS	62,681	68,133	63,185
3,838	4,717	3,220	TOTAL CLINIC AND RHC VISITS	40,048	52,948	38,616
179,101	172,766	163,270	Total Paid Hours	2,032,550	1,994,343	1,986,633
3,506	58	1,053	Total Contract Hours	51,279	687	14,034
182,607	172,824	164,323	Total Paid & Contract Hours	2,083,828	1,995,030	2,000,667
1,031.68	976.41	928.38	TOTAL PAID & CONTRACT FTE's	1,000.40	957.77	960.47

GATEWAY - CLARKSVILLE, TN 9553 DATE: 7/07/15
BALANCE SHEET : B-77 TIME: 17:06:29
AT
DECEMBER 31, 2014

	THIS MONTH	LAST MONTH	INCR/(DECR)
ASSETS			
Current Assets:			
Cash and cash equivalents	$ (767,578)	$ (1,681,327)	$ 913,749
Patient accounts receivable	25,637,636	26,141,740	(504,104)
Less: Allowance for bad debts	(700,605)	(2,880,915)	2,180,310
Prior yr cst rpt settlemt a/r	1,560,012	1,681,550	(121,538)
Supplies	4,404,714	4,454,568	(49,854)
Prepaid expenses	941,949	1,008,335	(66,386)
Other current assets	742,609	1,537,627	(795,018)
Total Current Assets	31,818,737	30,261,578	1,557,159
Property & Equipment, at cost:			
Land and improvements	8,793,018	8,793,018	00
Buildings and improvements	143,148,916	143,148,916	00
Equipment and fixtures	65,648,042	63,809,080	1,838,962
Leasehold improvements	1,031,525	679,901	351,624
Construction in progress	1,974,230	1,506,576	467,654
	220,595,731	217,937,491	2,658,240
Less accumulated depreciation and amortization	(62,179,835)	(61,468,643)	(711,192)
Net Property and Equipment	158,415,896	156,468,848	1,947,048
Other Assets:			
Notes receivable	4,114	4,114	00
Deposits	286,333	286,333	00
Investment in subs	1,949,907	1,843,206	106,701
Goodwill	00	00	00
Physician recruitment costs	159,139	166,744	(7,605)
Defered MIS charges	9,655,629	9,717,365	(61,736)
Other deferred charges	616,741	604,944	11,797
Total Other Assets	12,671,863	12,622,706	49,157
Total Assets	$ 202,906,496	$ 199,353,132	$ 3,553,364

GATEWAY - CLARKSVILLE, TN 9553 DATE: 7/07/15
BALANCE SHEET : B-77 TIME: 17:06:29
AT
DECEMBER 31, 2014

	THIS MONTH	LAST MONTH	INCR/(DECR)
LIABILITIES			
Current Liabilities:			
Current maturities of			
Accounts payable	7,169,911	2,857,895	4,312,016
Accrued liabilities:			
Employee compensation	6,150,506	5,711,659	438,847
Other accrued liabilities	2,317,002	2,400,972	(83,970)
Total Current Liabilities	15,637,419	10,970,526	4,666,893
Deferred Credits and			
Other Long-term Liabilities	274,247	275,000	(753)
Intercompany Accounts	99,086,253	102,556,017	(3,469,764)
Minority Interest	46,843,075	46,204,353	638,722
Total Liabilities	$ 161,840,994	$ 160,005,896	$ 1,835,098
Stockholders' Equity			
Retained earnings-prior year	44,036,114	44,036,114	00
Retained earnings-curr year	(2,970,612)	(4,688,878)	1,718,266
Total Stockholders' Equity	41,065,502	39,347,236	1,718,266
Total Liabilities and Equity	$ 202,906,496	$ 199,353,132	$ 3,553,364

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Community Health Systems, Inc.
Franklin, Tennessee

We have audited the accompanying consolidated balance sheets of Community Health Systems, Inc. and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Community Health Systems, Inc. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Nashville, Tennessee
February 25, 2015

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2014	2013	2012
	(In millions, except share and per share data)		
Operating revenues (net of contractual allowances and discounts)	$ 21,561	$ 14,853	$ 14,747
Provision for bad debts	2,922	2,034	1,914
Net operating revenues	18,639	12,819	12,833
Operating costs and expenses:			
Salaries and benefits	8,618	6,107	5,992
Supplies	2,862	1,975	1,953
Other operating expenses	4,322	2,818	2,807
Government settlement and related costs	101	102	—
Electronic health records incentive reimbursement	(259)	(162)	(123)
Rent	434	279	264
Depreciation and amortization	1,106	771	714
Amortization of software to be abandoned	75	—	—
Total operating costs and expenses	17,259	11,890	11,607
Income from operations	1,380	929	1,226
Interest expense, net of interest income of $5, $3 and $3 in 2014, 2013 and 2012, respectively	972	613	621
Loss from early extinguishment of debt	73	1	115
Equity in earnings of unconsolidated affiliates	(48)	(43)	(42)
Impairment of long-lived assets	41	12	10
Income from continuing operations before income taxes	342	346	522
Provision for income taxes	82	104	164
Income from continuing operations	260	242	358
Discontinued operations, net of taxes:			
Loss from operations of entities sold or held for sale	(7)	(21)	(12)
Impairment of hospitals sold or held for sale	(50)	(4)	—
Loss from discontinued operations, net of taxes	(57)	(25)	(12)
Net income	203	217	346
Less: Net income attributable to noncontrolling interests	111	76	80
Net income attributable to Community Health Systems, Inc. stockholders	$ 92	$ 141	$ 266
Basic earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders(1):			
Continuing operations	$ 1.33	$ 1.80	$ 3.11
Discontinued operations	(0.51)	(0.27)	(0.13)
Net income	$ 0.82	$ 1.52	$ 2.98
Diluted earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders(1):			
Continuing operations	$ 1.32	$ 1.77	$ 3.09
Discontinued operations	(0.51)	(0.27)	(0.13)
Net income	$ 0.82	$ 1.51	$ 2.96
Weighted-average number of shares outstanding:			

Basic	111,579,088	92,633,332	89,242,949
Diluted	112,549,320	93,815,013	89,806,937

(1) Total per share amounts may not add due to rounding.

See notes to the consolidated financial statements.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31,		
	2014	2013	2012
	(In millions)		
Net income	$ 203	$ 217	$ 346
Other comprehensive income (loss), net of income taxes:			
Net change in fair value of interest rate swaps, net of tax of $7, $34 and $26 for the years ended December 31, 2014, 2013 and 2012, respectively	13	60	46
Net change in fair value of available-for-sale securities, net of tax	—	2	3
Amortization and recognition of unrecognized pension cost components, net of tax (benefit) of $(9), $9 and $(3) for the years ended December 31, 2014, 2013 and 2012, respectively	(9)	16	(10)
Other comprehensive income	4	78	39
Comprehensive income	207	295	385
Less: Comprehensive income attributable to noncontrolling interests	111	76	80
Comprehensive income attributable to Community Health Systems, Inc. stockholders	$ 96	$ 219	$ 305

See notes to the consolidated financial statements.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2014	December 31, 2013
	(In millions, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 509	$ 373
Patient accounts receivable, net of allowance for doubtful accounts of $3,504 and $2,438 at December 31, 2014 and 2013, respectively	3,409	2,323
Supplies	557	371
Prepaid income taxes	30	107
Deferred income taxes	341	101
Prepaid expenses and taxes	192	127
Other current assets (including assets of hospitals held for sale of $38 and $40 at December 31, 2014 and 2013, respectively)	528	345
Total current assets	5,566	3,747
Property and equipment:		
Land and improvements	946	623
Buildings and improvements	8,791	6,225
Equipment and fixtures	4,527	3,614
Property and equipment, gross	14,264	10,462
Less accumulated depreciation and amortization	(4,095)	(3,411)
Property and equipment, net	10,169	7,051
Goodwill	8,951	4,424
Other assets, net of accumulated amortization of $827 and $535 at December 31, 2014 and 2013, respectively (including assets of hospitals held for sale of $90 and $94 at December 31, 2014 and 2013, respectively)	2,735	1,895
Total assets	$27,421	$ 17,117
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 235	$ 167
Accounts payable	1,293	949
Deferred income taxes	23	3
Accrued liabilities:		
Employee compensation	955	690
Interest	227	112
Other (including liabilities of hospitals held for sale of $10 and $24 at December 31, 2014 and 2013, respectively)	856	537
Total current liabilities	3,589	2,458
Long-term debt	16,681	9,286
Deferred income taxes	845	906
Other long-term liabilities	1,692	977
Total liabilities	22,807	13,627
Redeemable noncontrolling interests in equity of consolidated subsidiaries	531	358
Commitments and contingencies (Note 16)		
EQUITY		
Community Health Systems, Inc. stockholders' equity:		
Preferred stock, $.01 par value per share, 100,000,000 shares authorized; none issued	—	—
Common stock, $.01 par value per share, 300,000,000 shares authorized; 117,701,087 shares issued and 116,725,538 shares outstanding at December 31, 2014, and 95,987,032 shares issued and 95,011,483 shares outstanding at December 31, 2013	1	1
Additional paid-in capital	2,095	1,256
Treasury stock, at cost, 975,549 shares at December 31, 2014 and 2013	(7)	(7)
Accumulated other comprehensive loss	(63)	(67)
Retained earnings	1,977	1,885
Total Community Health Systems, Inc. stockholders' equity	4,003	3,068
Noncontrolling interests in equity of consolidated subsidiaries	80	64
Total equity	4,083	3,132
Total liabilities and equity	$27,421	$ 17,117

C, Orderly Development--7(C)
Licensing & Accreditation Inspections

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
781-B AIRWAYS BOULEVARD
JACKSON, TENNESSEE 38301-3203

May 13, 2009

Mr. Michael Mullins, Administrator
Gateway Medical Center
651 Dunlop Lane
Clarksville, TN 37040

RE: Licensure Surveys

Dear Mr. Mullins:

On **April 21, 2009**, licensure surveys were completed at your facility. Your plans of correction for these surveys have been received and were found to be acceptable.

Thank you for the consideration shown during this survey.

Sincerely,

Celia Skelley, MSN, RN
Public Health Nurse Consultant 2

CES/TJW

PRINTED: 04/21/2009
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53190	A. BUILDING _____ B. WING _____	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 678	1200-8-1-.06 (4)(e) Basic Hospital Functions (4) Nursing Services. (e) A registered nurse must assess, supervise and evaluate the nursing care for each patient. This Rule is not met as evidenced by: Based on review of facility policy, medical record review and interview, it was determined the facility failed to refer patients to nutrition services according to facility policy for 2 of 2 (Residents # 1 and 2) patients reviewed with wounds. The findings included: 1. Review of facility policy for the "Initial Assessment/Reassessment" included the following: "Nursing 1. An initial assessment will be completed on all patients admitted .... and in all areas that nursing care is provided. The Registered Nurse will complete the initial assessment...within 8 hours of arrival ...or before the end of the admission shift. The initial assessment includes completion of the Multidisciplinary Admission History and Needs Assessment, Physical examination, and initiation of a plan of care." 2. Medical record review revealed Patient #1 was admitted on 4/15/09 with a stage 2 wound on the coccyx that measured 2 centimeters (cm) by .5 cm by .1 cm. The initial nursing assessment for Patient #1 failed to identify the decubitus ulcer. Facility policy documents that patients will be referred to nutrition services when the patient has a wound equal to or greater than stage 2. The Nutrition History section was left blank and	H 678	Staff RN's RNs will perform a thorough nursing assessment and refer patients to appropriate disciplines, based upon the findings from the assessment. Focus will be made on Nutritional Assessment and referrals. Nursing Directors The Patient Assessment and Reassessment policy and the Interdisciplinary Admission; Patient History and Needs Assessment policy will be reviewed and documentation expectations will be reinforced to staff, again with emphasis on the Nutritional Screening/Assessment and referral process. Nursing Directors Education Department An educational module will be developed and assigned to all RNs as a tool to reinforce the education provided by the Nursing Directors and to document understanding of the nursing staff. Director of Food and Nutrition Directors Random chart audits (N=30) will be performed during May-July, 2009 by the clinical dietitian to assess compliance with appropriate nursing referral and order entry. Compliance will be reported to Nursing Leadership monthly during the Inpatient Nursing Directors' meeting. Continued to next page	Immediately and Ongoing May 31, 2009 completion date after unit Staff Meetings May 31, 2009 May 31, 2009

PRINTED: 04/27/2009
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53190	A. BUILDING _____ B. WING _____	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 678	Continued From page 1 the patient was not referred to nutrition services through the initial nursing screening. Medical record review revealed Patient #2 was admitted on 4/18/09. The patient was admitted with diagnoses of fever, right lower leg diabetic ulceration and congestive heart failure. The patient was admitted with an albumin of 2.0 (normal is 3.5-5.0). The albumin was 1.8 on 4/19/09 and 1.5 on 4/20/09. The Nutrition History section of the initial nursing assessment failed to identify the ulcer. The Nutrition History was checked "No referral needed". On 4/20/09, there was no documentation nutrition services had assessed this patient. 3. During an interview on 4/20/09, at 2:00 PM, the Director of Dietary Services confirmed nutrition services will screen a resident within 24 hours if referred. If there is no referral the patient may not be seen for 4 or 5 days. The Director of Dietary Services stated, "We review the computerized system daily...We count on the nurses nutrition referral."	H 678	Quality Management Nursing Directors Quality Management Department, in addition to the Ongoing Medical Record audit, will conduct monthly chart audits to evaluate appropriate care planning (N=30). Quality Management will inform the Nursing Directors when any outliers are identified. The Nursing Directors will provide one-on-one education to staff when an outlier is identified. Nursing Directors A new Ongoing Medical Record Review process is in place to assess for compliance with thorough initial nursing assessment and care planning. The results will be presented to the Performance Improvement Committee and shared with staff via the Nursing Directors.	May 2009 and ongoing audits for next quarter to monitor compliance. May 2009 and ongoing audits for compliance

CNO 5-7-09

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53190	A. BUILDING 01 - MAIN B. WING _____	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	1200-8-1-.09 (1) Life Safety (1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations. This Rule is not met as evidenced by: Based on observation it was determined the facility failed to comply with the life safety codes as required. The findings include: During the facility tour on 4/20/09, the following deficiencies were noted and were verified by the Director of Facilities Management .	H 901		
	1. At approximately 9:20 AM, observation of the rated smoke wall located above fire doors #7382 next to room 5323 revealed the top of the conduit was not sealed. NFPA 101, 8.5.5.2	H901 1	This penetration was sealed. Spot penetration inspections will be conducted on a qrtly basis throughout the hospital.	4/24/09
	2. At approximately 9:30 AM, observation of the corridor's smoke door located across room 5101 revealed the door was not closing within the door frame. NFPA 101, 7.2.1.8.1	H901 2	This door has been repaired. Doors will be monitored on safety rounds and are inspected on qtrly PM rounds.	4/23/09
	3. At approximately 9:40 AM, observation of the RT storage room's fire wall located in the 5100 wing core revealed the end of a conduit was not sealed. NFPA 101, 8.3.5.1	H901 3	This penetration was sealed. Spot penetration inspections will be conducted on a qtrly basis throughout the hospital.	4/24/09
	4. At approximately 11:25 AM, observation of the rated smoke wall located above fire doors #7345 in the 3200 corridor revealed the 7" heating pipe	H901 4	This penetration was sealed. Spot penetration inspections will be conducted on a qrtly basis throughout the hospital.	4/24/09

vision of Health Care Facilities

Fran Mackey

TITLE CNO

(X6) DATE 5-7-09

ABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53180	A BUILDING 01 - MAIN B WING	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	Continued From page 1 was not sealed at the wall and the 1/2" conduit's end was not sealed. NFPA 101, 8.5.5.2	H 901		
	5. At approximately 11:25 AM, observation of the NICU storage room revealed the fire extinguisher was blocked with an oxygen cylinder. Oxygen was being stored with no precautionary sings posted on the door. NFPA 10, 1.5.6 and NFPA 55, 6.13.1	H901 5	The oxygen cylindar was removed. An email was sent to the Director letting them know of the problem, and reminding them of the 3' blockage rule. 5/6/09 Signs are on order and will be hung as soon as they are received. 6/1/09	
	6. At approximately 11:26 AM, observation of the NICU storage room's fire wall revealed the end of conduit was not sealed. NFPA 101, 8.3.5.1	H901 6	This penetration will be sealed by 6/1/09 6/1/09 Spot penetration inspections will be conducted on a qtrly basis throughout the hospital.	
	7. At approximately 11:37 AM, observation of the 3rd floor's RT Storage room revealed that oxygen was being stored with no precautionary sings posted on the door. NFPA 55, 6.13.1	H901 7	Signs are on order and will be installed as soon as they are received. 6/1/09	
	8. At approximately 11:25 AM, observation of the rated smoke wall located above fire doors #7348 in the 3200 corridor revealed the flex conduit's end was not sealed. NFPA 101, 8.5.5.2	H901 8	This penetration was sealed.4/27/0 Spot penetration inspections will be conducted on a qrtly basis throughout the hospital.	
	9. At approximately 11:57 AM, observation the Labor and Delivery equipment storage room located next to the stairwell revealed the fire extinguisher was blocked with equipment. NFPA 10, 1.5.6	H901 9	The equipment was removed. An email was sent to the Director letting them know of the problem, and reminding them of the 3' blockage rule. 5/6/09	
	10. At approximately 12:11 PM, observation of the Critical Care Unit's RT storage room revealed that oxygen was being stored with no precautionary sings posted on the door. NFPA 55, 6.13.1	H901 10	Signs have been ordered and will be installed as soon as they are received. 6/1/09	
	11. At approximately 12:20 PM, observation of the CCU soiled utility fire wall revealed the end of a conduit was not sealed. NFPA 101, 8.3.5.1	H901 11	This penetration was sealed.4/24/0 Spot penetration inspections will be conducted on a qrtly basis throughout the hospital.	

Fran Mackey CNO 5-7-09

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53190	A. BUILDING 01 - MAIN B. WING _____	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	Continued From page 2	H 901		
	12. At approximately 12:25 PM, observation of the fire extinguisher located next to room 2101 revealed a cart was blocking the extinguisher. NFPA 10, 1.5.6	H901 12	The cart was removed. An email was sent to the Director letting them know of the problem, and reminding them of the 3' blockage rule.	5/6/09
	13. At approximately 12:29 PM, observation of the rated smoke wall located above fire doors 7459 in the CCU corridor revealed the conduit's end was not sealed. NFPA 101, 8.5.5.2	H901 13	This penetration was sealed. Spot penetration inspections will be conducted on a qtrly basis throughout the hospital.	4/24/
	14. At approximately 12:34 PM, observation of the 2nd floor core oxygen storage room revealed no precautionary signs were posted on the door. NFPA 55, 6.13.1	H901 14	Signs have been ordered and will be installed as soon as they are received.	6/1/09
	15. At approximately 1:15 PM, observation of the rated smoke wall located above fire doors #7292 next to the information system offices revealed the conduit's end was not sealed. NFPA 101, 8.5.5.2	H901 15	This penetration was sealed. Spot penetration inspections will be conducted on a qtrly basis throughout the hospital.	4/28/
	16. At approximately 1:20 PM, observation of the information system's storage room revealed the fire extinguisher was blocked with equipment. NFPA 10, 1.5.6	H901 16	The extinguisher was removed from the storeroom. An email was sent to the Director letting them know of the problem, and reminding them of the 3' blockage rule.	4/24/0 5/6/09
	17. At approximately 1:35 PM, observation of the pharmacy storage room revealed a penetration in the fire wall above fire doors #7502. NFPA 101, 8.3.5.1	H901 17	This penetration was sealed 4/28/ Spot penetration inspections will be conducted on a qrtly basis throughout the hospital.	
	18. At approximately 1:35 PM, observation of the lab storage room's fire wall revealed the conduit's end was not sealed above fire doors #7505. NFPA 101, 8.3.5.1	H901 18	This penetration will be sealed by 6/1/09. Spot penetration inspections will be conducted on a qtrly basis throughout the hospital.	6/1/09
	19. At approximately 1:45 PM, observation of the loading dock's 2 oxygen storage rooms revealed oxygen and compressed gases were stored in the rooms with no precautionary signs posted on	H901 19	Signs are on order and will be installed as soon as they arrive.	6/1/09

Fran Mackey CNO 5-7-09

Division of Health Care Facilities

FORM APPROVED

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53190	A. BUILDING 01 - MAIN B. WING	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	Continued From page 3 the doors. NFPA 55, 6.13.1 20. At approximately 1:46 PM, observation of the loading dock's bio-medical waste room revealed the fire extinguisher was blocked with equipment. NFPA 10, 1.5.6 21. At approximately 2:00 PM, observation of the gift shop and storage room revealed the fire extinguishers were blocked with equipment. Helium was being stored in the storage room with no precautionary signs posted on the door. NFPA 10, 1.5.6 and NFPA 55, 6.13.1 During the facility tour on 4/21/09, the following deficiencies were noted and were verified by the Director of Facilities Management. 22. At approximately 7:30 AM, observation of the emergency room corridor revealed the conduit's end located above smoke doors #7423 was not sealed. NFPA 101, 8.5.5.2 23. At approximately 7:33 AM, observation of the ER waiting room revealed that wheel chairs were blocking the fire extinguisher. NFPA 10, 1.5.6 24. At approximately 7:35 AM, observation of the ER equipment storage room located across room 5 revealed the fire extinguisher was blocked with equipment and there was no smoke detector installed in the room. NFPA 10, 1.5.6 and NFPA 101, 9.6.1.3 25. At approximately 8:08 AM, observation of the equipment storage room located across room 5217 revealed that oxygen was being stored in the room with no precautionary signs posted on the door. NFPA 55, 6.13.1	H 901	H901 20 The equipment was removed. An email was sent to the director, letting them know of the problem, and reminding them of the 3' blockage rule. 5/6/09 H901 21 The equipment was removed. An email was sent to the Director letting them know of the problem, and reminding them of the 3' blockage rule. 5/6/09 Signs have been ordered and will be installed as soon as they are recieved. 6/1/09 H901 22 This penetration was sealed 4/28/0 Spot penetration inspections will b conducted on a qrtly basis throughout the hospital. H901 23 The wheelchairs were removed. An email was sent to the Director, letting them know of the problem, and reminding them of the 3' blockage rule. 5/6/09 H901 24 The equipment was removed. An emai was sent to the Director letting them know the problem and reminding them of the 3' blockage rule. The architect is checking with the State on confirmation re; the smoke detector. Will have ruling by June 5, 2009. (We will ask for time extension if need be). H901 25 See next page	

Ina Mackey CNO 5-7-09

PRINTED: 04/22/200
FORM APPROVE

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53190	A. BUILDING 01 - MAIN B. WING _____	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	Continued From page 4	H 901		
	26. At approximately 8:15 AM, observation of the 5300 corridor revealed the fire alarm pull station located next to the stairwell exit revealed the pull station was blocked with a crib. NFPA 72, 5.12.5	H901 25	Signs are on order and will be installed as soon as they arrive	6/1/09
		H901 26	The crib was moved. An email was sent to the Director, letting them know of the problem and reminding them of the 3' blockage rule.	5/6/09
	27. At approximately 8:18 AM, observation of the sprinkler located in the 5300 nurses' station revealed the deflector was damaged. NFPA 25. 5.2.1.1.2	H901 27	This will be completed by 6/5/09 Deflectors will be inspected on safety surveilance rounds.	
	28. At approximately 8:30 AM, observation of the storage room located next to room 4110 revealed that oxygen was being stored with no precautionary signs posted on the door. NFPA 55, 6.13.1	H901 28	Signs have been ordered and will be installed as soon as they are received.	6/1/09
	29. At approximately 8:40 AM, observation of the fire extinguisher located next to room 4218 revealed the extinguisher was blocked with equipment. NFPA 10, 1.5.6	H901 29	The equipment was moved. An email was sent to the Director, letting them know about the problem and reminding them of the 3'blockage rule.	5/6/09
	30. At approximately 8:46 PM, observation of the sprinklers located in the 4200 nurses' station and the short corridor across room 4235 revealed the deflectors were not parallel to the ceiling. NFPA 13, 5.2.1.1.2	H901 30	These sprinklers were straightene	4/24/09
			Deflectors will be inspected on safety surveillance rounds.	
	31. At approximately 8:53 AM, observation of the corridor's doors located next to room 4316 revealed there were no exit signs posted on both sides of the doors. NFPA 101, 7. 10.1.2	H901 31	Signs have been placed on doors.	4/23/09
	32. At approximately 9:13 AM, observation of the equipment storage room located at the end of the 3100 corridor revealed the fire extinguisher was blocked with equipment. NFPA 10, 1.5.6	H901 32	The equipment was moved. An emai was sent to the Director letting them know about the problem and reminding them of the 3'	
	33. At approximately 9:20 AM, observation of the RT storage room located across the 3rd floor elevators revealed that oxygen was being stored	H901 33	blockage rule. Signs have been ordered and will be installed as soon as they are received.	5/6/09 6/1/09

Joan Mackey CNO 5-7-09

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP53190	A BUILDING 01 - MAIN B WING	04/21/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
GATEWAY MEDICAL CENTER	651 DUNLOP LANE CLARKSVILLE, TN 37040

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	Continued From page 5 with no precautionary signs posted on the door. NFPA 55, 6.13.1	H 901		
	34. At approximately 10:00 AM, observation of the ER electrical outlet located between rooms 14 and 15 revealed the outlet was loose from the wall. NFPA 70, 110-13(a)	H901 34	The outlet has been repaired.4/27/ Electrical outlets will be monitored on safety surveillance rounds.	
	35. At approximately 10:23 AM, observation of the pharmacy storage room revealed the fire door was blocked with a cart. NFPA 80, 15.2.3.3	H901 35	The equipment was removed. An email was sent to the Director, letting them know of the problem and reminding them of the 3' blockage rule. 5/6/0	

Correction Action Education Plan:

1. At time of survey, all Directors were emailed the findings, and things that were done to correct the deficiencies, including equipment placement, carts, and fire extinguishers. Ongoing surveillance and Feedback
2. Lunch and Learn for all Directors on Fire Extinguisher regulations and rules. May 14, 2009
3. Continue hazardous surveillance bimonthly rounds with feedback to the affected areas in areas for improvement. Ongoing.

Fran Mackey CNO 5-7-09

The Joint Commission

October 15, 2012

Tim Puthoff
Chief Executive Officer
Clarksville Health System, G.P.
651 Dunlop Lane
Clarksville, TN 37040

Joint Commission ID #: 7817
Accreditation Activity: Unannounced Full Event
Accreditation Activity Completed: 10/05/2012

Dear Mr. Puthoff:

Thank you for selecting The Joint Commission to conduct your recent Accreditation survey.

At The Joint Commission we strive to 'live' our mission.

'To continuously improve health care for the public, in collaboration with other stakeholders, by evaluating health care organizations and inspiring them to excel in providing safe and effective care of the highest quality and value.'

As you know, Joint Commission standards go beyond just the 'basics' of state and federal regulations, and set consistently high expectations for quality and safety. We recognize that successfully meeting these standards is not an easy task, and doing so deserves special recognition from The Joint Commission, your Board and staff, your community, and especially your patients and their families.

The report we left onsite is designed to help focus on areas of further improvement, in the spirit of helping our organizations continuously improve.

Thank you for choosing The Joint Commission as your accreditor and committing to continued improvements in patient care quality and safety. We are honored to assist you in your mission.

Best wishes for your continued success.

Sincerely,

Mark Pelletier

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

The Joint Commission

Clarksville Health System, G.P.
651 Dunlop Lane
Clarksville, TN 37040

Organization Identification Number: 7817

Program(s)	**Survey Date(s)**
Hospital Accreditation	10/01/2012-10/04/2012, 10/05/2012-10/05/2012

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission
Summary of Findings

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day this report is posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	EC.02.05.01	EP6
	HR.01.07.01	EP5
	LD.03.03.01	EP4
	PC.01.02.01	EP23
	PC.02.01.03	EP1,EP7
	PC.03.01.03	EP1

Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day this report is posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	EC.02.06.01	EP13
	IC.01.05.01	EP6
	LD.04.03.09	EP6
	LD.04.04.03	EP4
	MM.05.01.01	EP1
	MS.01.01.01	EP3,EP16
	TS.03.02.01	EP2

The Joint Commission
Summary of CMS Findings

CoP: §482.22 **Tag:** A-0338 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.22 Condition of Participation: Medical staff

The hospital must have an organized medical staff that operates under bylaws approved by the governing body and is responsible for the quality of medical care provided to patients by the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.22(c)(5)(i)	A-0358	HAP - MS.01.01.01/EP16	Standard

CoP: §482.23 **Tag:** A-0385 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.23 Condition of Participation: Nursing Services

The hospital must have an organized nursing service that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse.

CoP Standard	Tag	Corresponds to	Deficiency
§482.23(c)	A-0404	HAP - PC.02.01.03/EP7	Standard
§482.23(c)(3)	A-0406	HAP - PC.02.01.03/EP1	Standard

CoP: §482.25 **Tag:** A-0490 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.25 Condition of Participation: Pharmaceutical Services

The hospital must have pharmaceutical services that meet the needs of the patients. The institution must have a pharmacy directed by a registered pharmacist or a drug storage area under competent supervision. The medical staff is responsible for developing policies and procedures that minimize drug errors. This function may be delegated to the hospital's organized pharmaceutical service.

CoP Standard	Tag	Corresponds to	Deficiency
§482.25(b)	A-0500	HAP - MM.05.01.01/EP1	Standard

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(c)(4)	A-0726	HAP - EC.02.06.01/EP13	Standard

CoP: §482.42 **Tag:** A-0747 **Deficiency:** Standard

The Joint Commission
Summary of CMS Findings

Corresponds to: HAP - IC.01.05.01/EP6

Text: §482.42 Condition of Participation: Infection Control

The hospital must provide a sanitary environment to avoid sources and transmission of infections and communicable diseases. There must be an active program for the prevention, control, and investigation of infections and communicable diseases.

CoP: §482.51 **Tag:** A-0940 **Deficiency:** Standard

Corresponds to: HAP - EC.02.05.01/EP6

Text: §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.

CoP: §482.12 **Tag:** A-0043 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.12 Condition of Participation: Governing Body

There must be an effective governing body that is legally responsible for the conduct of the hospital. If a hospital does not have an organized governing body, the persons legally responsible for the conduct of the hospital must carry out the functions specified in this part that pertain to the governing body. The governing body (or the persons legally responsible for the conduct of the hospital and carrying out the functions specified in this part that pertain to the governing body) must include a member, or members, of the hospital's medical staff.

CoP Standard	Tag	Corresponds to	Deficiency
§482.12(e)(1)	A-0084	HAP - LD.04.03.09/EP6	Standard

The Joint Commission
Findings

Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.05.01 ESC 45 days

Standard Text: The hospital manages risks associated with its utility systems.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

6. In areas designed to control airborne contaminants (such as biological agents, gases, fumes, dust), the ventilation system provides appropriate pressure relationships, air-exchange rates, and filtration efficiencies. 3
Note: Areas designed for control of airborne contaminants include spaces such as operating rooms, special procedure rooms, delivery rooms for patients diagnosed with or suspected of having airborne communicable diseases (for example, pulmonary or laryngeal tuberculosis), patients in 'protective environment' rooms (for example, those receiving bone marrow transplants), laboratories, pharmacies, and sterile supply rooms. For further information, see Guidelines for Design and Construction of Health Care Facilities, 2010 edition, administered by the Facility Guidelines Institute and published by the American Society for Healthcare Engineering (ASHE).

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 6
§482.51 - (A-0940) - §482.51 Condition of Participation: Condition of Participation: Surgical Services
This Standard is NOT MET as evidenced by:
Observed in Building Tour at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
Observed that the clean side of Sterile Processing's air pressure was negative in relation to the circulating hall. This was confirmed using a tissue test at the access door.
This pressure relationship was corrected during the survey and this correction was site validated during the survey

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Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.06.01 ESC 60 days

Standard Text: The hospital establishes and maintains a safe, functional environment.
Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.

Primary Priority Focus Area: Infection Control

Element(s) of Performance:

13. The hospital maintains ventilation, temperature, and humidity levels suitable for the care, treatment, and services provided. 4

Scoring Category : A
Score : Insufficient Compliance

The Joint Commission
Findings

Observation(s):

EP 13
§482.41(c)(4) - (A-0726) - (4) There must be proper ventilation, light, and temperature controls in pharmaceutical, food preparation, and other appropriate areas.
This Standard is NOT MET as evidenced by:
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
During tracer activity in the cardiac catheterization area, it was determined that there was no humidity monitoring in the room where sterile supplies were stored.

Chapter: Human Resources

Program: Hospital Accreditation

Standard: HR.01.07.01 ESC 45 days

Standard Text: The hospital evaluates staff performance.

Primary Priority Focus Area: Staffing

Element(s) of Performance:

5. When a licensed independent practitioner brings a nonemployee individual into the hospital to provide care, treatment, and services, the hospital reviews the individual's competencies and performance at the same frequency as individuals employed by the hospital.
Note: This review can be accomplished either through the hospital's regular process or with the licensed independent practitioner who brought staff into the hospital. 3

Scoring Category : C
Score : Insufficient Compliance

Observation(s):

EP 5
Observed in Record Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
During review of credentialing files for a non-employed operating room technician brought in by a licensed independent practitioner it was noted that the hospital had not reviewed the competencies as they would for a similarly employed operating room technician and on an annual basis as was done for hospital employees.

Observed in Record Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
During review of credentialing files for a non-employed dental assistant brought in by a licensed independent practitioner it was noted that the hospital had not reviewed the competencies as they would for a similarly employed dental assistant, or based on consultation of the appropriate professional hospital guidelines to identify the required credentials and competencies for a person with this scope of practice, on an annual basis as was done for hospital employees.

Observed in Record Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
During review of credentialing files for a non-employed RN first assist brought in by a licensed independent practitioner it was noted that the hospital had not reviewed the competencies as they would for a similarly employed RN first assist and on an annual basis as was done for hospital employees.

Chapter: Infection Prevention and Control

Program: Hospital Accreditation

Standard: IC.01.05.01 ESC 60 days

The Joint Commission
Findings

Standard Text: The hospital has an infection prevention and control plan.

Primary Priority Focus Area: Infection Control

Element(s) of Performance:

6. All hospital components and functions are integrated into infection prevention and control activities. (See also HR.01.04.01, EPs 2 and 4)

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 6
§482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control
This Standard is NOT MET as evidenced by:
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
During tracer activity in the intensive care unit, it was determined that the organization's vaccine documentation policy was not followed. For example, the lot number and expiration date of the vaccine administered was not included in the patient's medical record as required.

Chapter: Leadership

Program: Hospital Accreditation

Standard: LD.03.03.01

Standard Text: Leaders use hospital-wide planning to establish structures and processes that focus on safety and quality.

Primary Priority Focus Area: Quality Improvement Expertise/Activities

Element(s) of Performance:

4. Leaders provide the resources needed to support the safety and quality of care, treatment, and services.

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 4
Observed in Record Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
The organization failed to determine if they had adequate staffing for patients monitored on heart rate monitoring throughout the hospital. The hospital established criteria where staffing would be one monitor tech until the number of patients on monitors equaled 64 patients, then a second technician would staff a second position. Documentation indicated this staffing plan had been in place since 2010. Review of staffing showed that on weekdays two technicians were staffing the positions regardless of the number of patients being monitored and on weekends an only one was assigned with a second on call. However, review of the three month period prior to the survey indicated that patient levels were not significantly lower on weekends. The number of patients on monitors during this period ranged from 50 to 75. The hospital did not use evidenced based information to validate that this represented adequate staffing levels. Additionally, leadership indicated that patient acuity was factored into the staffing decision but they did not have set criteria when these additional factors would be included in the decision when resources would be allocated and additional personnel would be brought in to monitor patients.

Chapter: Leadership

The Joint Commission
Findings

Program: Hospital Accreditation

Standard: LD.04.03.09 ESC 60 days

Standard Text: Care, treatment, and services provided through contractual agreement are provided safely and effectively.

Primary Priority Focus Area: Organizational Structure

Element(s) of Performance:

6. Leaders monitor contracted services by evaluating these services in relation to the hospital's expectations. 

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 6
§482.12(a)(1) - (A-0084) - (1) The governing body must ensure that the services performed under a contract are provided in a safe and effective manner.
This Standard is NOT MET as evidenced by:
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
During review of the organization's process for contract evaluation, it was determined that there was not a formalized process for the evaluation of those contracts automatically renewed. For example, the contract for infant hearing examinations had not been evaluated since 2009. In discussion with staff, it was further determined that the organization's current process addressed contract evaluation only at the time of contract renewal.

Chapter: Leadership

Program: Hospital Accreditation

Standard: LD.04.04.03 ESC 60 days

Standard Text: New or modified services or processes are well designed.

Primary Priority Focus Area: Organizational Structure

Element(s) of Performance:

4. The hospital's design of new or modified services or processes incorporates evidence-based information in the decision-making process. 
Note: For example, evidence-based information could include practice guidelines, successful practices, information from current literature, and clinical standards.

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission
Findings

EP 4
Observed in Tracer Activities at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site. During survey activity, it was determined that the organization did not use identified evidence-based guidelines to determine appropriate staffing patterns for the cardiac monitoring staff. The process for cardiac monitoring, using technicians, was modified during the current survey cycle. As part of the new process design, the organization referenced a staffing ratio of one technician to 40 cardiac tracings. Further, the organization's health system developed a guideline of one technician to 40 cardiac tracings. In discussion with staff, it was determined that standards were established allowing for one monitor technician to observe as many as 64 cardiac tracings. This staffing pattern was not established in the literature or evaluated by the organization using data in order to determine effectiveness.

Chapter:	Medical Staff
Program:	Hospital Accreditation
Standard:	MS.01.01.01
Standard Text:	Medical staff bylaws address self-governance and accountability to the governing body.
Primary Priority Focus Area:	Organizational Structure

ESC 60 days

The Joint Commission
Findings

Element(s) of Performance:

3. Every requirement set forth in Elements of Performance 12 through 36 is in the medical staff bylaws. These requirements may have associated details, some of which may be extensive; such details may reside in the medical staff bylaws, rules and regulations, or policies. The organized medical staff adopts what constitutes the associated details, where they reside, and whether their adoption can be delegated. Adoption of associated details that reside in medical staff bylaws cannot be delegated. For those Elements of Performance 12 through 36 that require a process, the medical staff bylaws include at a minimum the basic steps, as determined by the organized medical staff and approved by the governing body, required for implementation of the requirement. The organized medical staff submits its proposals to the governing body for action. Proposals become effective only upon governing body approval. (See the 'Leadership' (LD) chapter for requirements regarding the governing body's authority and conflict management processes.)
Note: If an organization is found to be out of compliance with this Element of Performance, the citation will occur at the appropriate Element(s) of Performance 12 through 36.

Scoring Category : A
Score : Insufficient Compliance

16. For hospitals that use Joint Commission accreditation for deemed status purposes: The medical staff bylaws include the following requirements, in accordance with Element of Performance 3: The requirements for completing and documenting medical histories and physical examinations. The medical history and physical examination are completed and documented by a physician, an oralmaxillofacial surgeon, or other qualified licensed individual in accordance with state law and hospital policy. (For more information on performing the medical history and physical examination, refer to MS.03.01.01, EPs 6-11.)
Note 1: The definition of 'physician' is the same as that used by the Centers for Medicare & Medicaid Services (CMS) (refer to the Glossary).
Note 2: The requirements referred to in this element of performance are, at a minimum, those described in the element of performance and Standard PC.01.02.03, EPs 4 and 5.

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission
Findings

EP 3
Observed in Document Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
The organization had not amended the bylaws to include the basic steps for issues outlined in elements of performance 16 as noted below.

EP 16
§482.22(c)(5)(i) - (A-0358) - (i) A medical history and physical examination be completed and documented for each patient no more than 30 days before or 24 hours after admission or registration, but prior to surgery or a procedure requiring anesthesia services. The medical history and physical examination must be completed and documented by a physician (as defined in section 1861(r) of the Act), an oromaxillofacial surgeon, or other qualified licensed individual in accordance with State law and hospital policy.
This Standard is NOT MET as evidenced by:
Observed in Document Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
The requirements of completion of the history and physical within 24 hours of admission or before surgery and that the update of history and physicals completed within the previous 30 days must be completed within the same time frame was in the Medical Staff rules and regulations. The Medical Staff bylaws indicated that the Rules and Regulations were considered a part of the bylaws; however, the bylaws required a two-thirds majority of the medical staff for passage and the rules and regulations only required a simple majority therefore the process of changing the two documents was not identical.

Chapter:	Medication Management
Program:	Hospital Accreditation
Standard:	MM.05.01.01
Standard Text:	A pharmacist reviews the appropriateness of all medication orders for medications to be dispensed in the hospital.
Primary Priority Focus Area:	Medication Management

ESC 60 days

The Joint Commission
Findings

Element(s) of Performance:

1. Before dispensing or removing medications from floor stock or from an automated storage and distribution device, a pharmacist reviews all medication orders or prescriptions unless a licensed independent practitioner controls the ordering, preparation, and administration of the medication or when a delay would harm the patient in an urgent situation (including sudden changes in a patient's clinical status), in accordance with law and regulation.
Note 1: The Joint Commission permits emergency departments to broadly apply two exceptions in regard to Standard MM.05.01.01, EP 1. These exceptions are intended to minimize treatment delays and patient back-up. The first exception allows medications ordered by a licensed independent practitioner to be administered by staff who are permitted to do so by virtue of education, training, and organization policy (such as a registered nurse) and in accordance with law and regulation. A licensed independent practitioner is not required to remain at the bedside when the medication is administered. However, a licensed independent practitioner must be available to provide immediate intervention should a patient experience an adverse drug event. The second exception allows medications to be administered in urgent situations when a delay in doing so would harm the patient.
Note 2: A hospital's radiology service (including hospital-associated ambulatory radiology) will be expected to define, through protocol or policy, the role of the licensed independent practitioner in the direct supervision of a patient during and after IV contrast media is administered including the licensed independent practitioner's timely intervention in the event of a patient emergency.

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 1
§482.25(b) - (A-0500) - §482.25(b) Standard: Delivery of Services

In order to provide patient safety, drugs and biologicals must be controlled and distributed in accordance with applicable standards of practice, consistent with Federal and State law.
This Standard is NOT MET as evidenced by:
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
During tracer activity it was identified that there was no process to transmit post anesthesia medication orders for medications used in the PACU to the pharmacy for pharmacist review. While the initial dose of medications would be administered to meet an immediate patient need, subsequent doses were administered without pharmacy review.

Chapter:	Provision of Care, Treatment, and Services
Program:	Hospital Accreditation
Standard:	PC.01.02.01
Standard Text:	The hospital assesses and reassesses its patients.
Primary Priority Focus Area:	Assessment and Care/Services

ERC 45 days

The Joint Commission
Findings

Element(s) of Performance:

23. During patient assessments and reassessments, the hospital gathers the data and information it requires. 

Scoring Category : C
Score : Partial Compliance

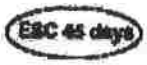
Observation(s):

EP 23
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
During tracer activity in the pediatric unit, it was determined that the organization did not collect the data and information required by policy as part of the admission assessment process. For example, head circumference was not documented in a patient less than 18 months of age as the organization required.

Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
During tracer activity in the pediatric unit, it was determined that the organization did not collect the data and information required by policy as part of the admission assessment process. For example, head circumference was not documented in a second patient less than 18 months of age as the organization required.

Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.02.01.03 

Standard Text: The hospital provides care, treatment, and services as ordered or prescribed, and in accordance with law and regulation.

Primary Priority Focus Area: Assessment and Care/Services

Element(s) of Performance:

1. For hospitals that use Joint Commission accreditation for deemed status purposes: Prior to providing care, treatment, and services, the hospital obtains or renews orders (verbal or written) from a licensed independent practitioner or other practitioner in accordance with professional standards of practice; law and regulation; hospital policies; and medical staff bylaws, rules, and regulations. * 
Footnote *: For law and regulation guidance pertaining to those responsible for the care of the patient, refer to 42 CFR 482.12(c).

Scoring Category : A
Score : Insufficient Compliance

7. For hospitals that use Joint Commission accreditation for deemed status purposes: The hospital provides care, treatment, and services using the most recent patient order (s). 

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission
Findings

EP 1
§482.23(c)(3) - (A-0406) - (3) With the exception of influenza and pneumococcal polysaccharide vaccines, which may be administered per physician-approved hospital policy after an assessment of contraindications, orders for drugs and biologicals must be documented and signed by a practitioner who is authorized to write orders in accordance with State law and hospital policy, and who is responsible for the care of the patient as specified under §482.12(c).
This Standard is NOT MET as evidenced by:
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
During tracer activity in the intensive care unit, it was determined that a protocol allowing for drug dose manipulation was placed in the medical record without a physician order in the manner required. For example, the physician wrote an order for lovenox on September 30, 2012. A protocol was placed in the record the following day. The physician signed the protocol on October 1, 2012.

EP 7
§482.23(c) - (A-0404) - §482.23(c) Standard: Preparation and Administration of Drugs

(c) Standard: Preparation and administration of drugs. (1)Drugs and biologicals must be prepared and administered in accordance with Federal and State laws, the orders of the practitioner or practitioners responsible for the patient's care as specified under §482.12(c), and accepted standards of practice.
This Standard is NOT MET as evidenced by:
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site for the Hospital deemed service.
During tracer activity in the intensive care unit, it was determined that the physician's most recent order for sedation was not followed. For example, the propofol dose range ordered was 5-50 mcg/kg/min. Further, there was an additional order on the preprinted form to maintain the infusion, "within the dose range as prescribed by the physician". However, the patient's infusion was titrated to 80mcg/kg/min without an order revision. In addition, the physician ordered the infusion to be titrated to maintain a Ramsey score of 3. However, during a 12 hour period the infusion was titrated with Ramsey scores of between five and six.

Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.03.01.03 ESC 45 days

Standard Text: The hospital provides the patient with care before initiating operative or other high-risk procedures, including those that require the administration of moderate or deep sedation or anesthesia.

Primary Priority Focus Area: Assessment and Care/Services

Element(s) of Performance:

1. Before operative or other high-risk procedures are initiated, or before moderate or deep sedation or anesthesia is administered: The hospital conducts a presedation or preanesthesia patient assessment. (See also RC.02.01.01, EP 2) J

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 1
Observed in Individual Tracer at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
During tracer activity in the intensive care unit, it was determined that a presedation or preanesthesia patient assessment was not conducted as the organization required. For example, the airway assessment was not complete on the organization's sedation documentation form. The "Intubation Evaluation" and "Teeth" sections of the form were blank. There was no evidence at the time of the tracer that the information was collected and documented elsewhere in the record.

The Joint Commission
Findings

Chapter: Transplant Safety

Program: Hospital Accreditation

Standard: TS.03.02.01

ESC 60 days

Standard Text: The hospital traces all tissues bi-directionally.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

2. The hospital identifies, in writing, the materials and related instructions used to prepare or process tissues.

Scoring Category : C
Score : Partial Compliance

Observation(s):

EP 2
Observed in Document Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
On 3/22/12 Alloderm, a human tissue that required rehydration with normal saline, was implanted. The patient record did not identify the materials used in preparation of the Alloderm. The record did not reflect that normal saline had been used in the preparation of the tissue and did not indicate the lot number and expiration date of the normal saline used.

Observed in Document Review at Clarksville Health System, G. P. (651 Dunlop Lane, Clarksville, TN) site.
On 8/17/12 Tibialis tendon, a human tissue that required thawing with normal saline, was implanted. The patient record did not identify the materials used in preparation of the Tibialis tendon. The record did not reflect that normal saline had been used in the preparation of the tissue and did not indicate the lot number and expiration date of the normal saline used.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

GATEWAY MEDICAL CENTER

I, MARK A. MARSH, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

Mark Marsh

Signature/Title
CEO, GATEWAY MEDICAL CENTER

Sworn to and subscribed before me, a Notary Public, this the 27 day of July, 2015, witness my hand at office in the County of DAVIDSON, State of Tennessee.

JANET R. GIBBS
STATE OF TENNESSEE NOTARY PUBLIC
MONTGOMERY COUNTY

Janet R. Gibbs

NOTARY PUBLIC

My commission expires May 17, 2018.

HF-0043

Revised 7/02

Supplemental #1
-Copy-

Gateway Medical
Emergency Department

CN1507-027

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

DSG Development Support Group

July 27, 2015

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CN1507-027
Gateway Medical Center (Satellite Emergency Department)

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. **Section A., Applicant Profile, Item 2**
The zip code in the facility address (37042) is noted. However, it appears the Sango community is located in the 37043 zip code. Please clarify.

Attached after this page is a revised page 1R correcting that.

2. **Section A., Applicant Profile, Item 3**
The documents provided in the attachments reflect the registration of the applicant and various related entities of CHS. However, the organization chart showing these relationships appears to have been omitted from the attachment. Please provide a current registration chart.

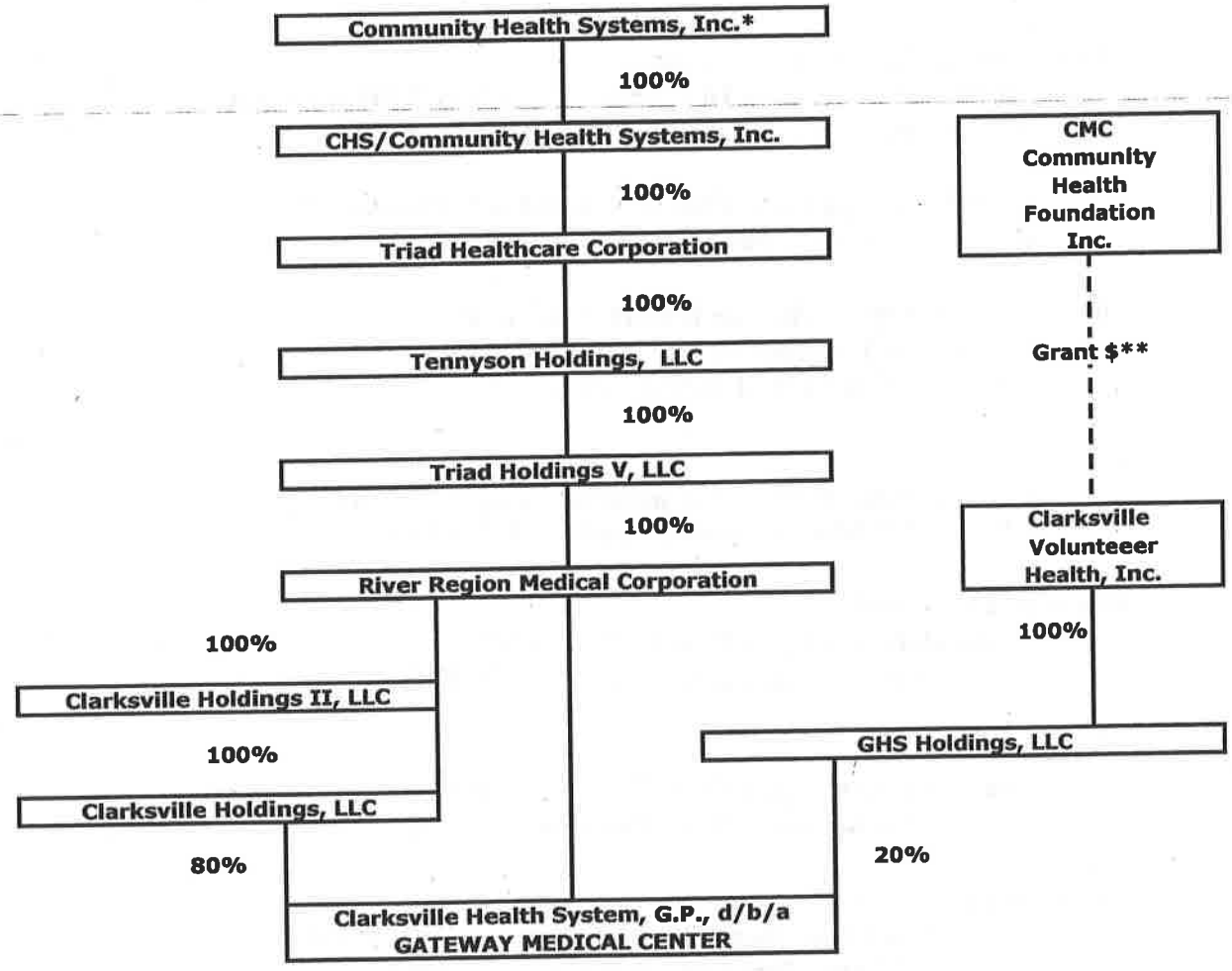
The organization chart is attached after this page, along with a narrative of the organization concerned.

3. **Section A., Applicant Profile, Item 8**
The applicant indicates the purpose of review is for a change of location. It appears the main campus emergency room location will remain. Please clarify.

The project does change the location of emergency services, by expanding them from just one site in Montgomery County to two sites. But it is not a replacement as indicated in Box B in that section, which is why the applicant did not check Box B. If staff does not regard this as a change of location, a revised 2R is attached after this page.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

OWNERSHIP OF GATEWAY MEDICAL CENTER



* A publicly traded company
** Grant $ flows from Clarksville Volunteer Health, Inc. to CMC Community Health Foundation, Inc.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

Ownership Information Listing

Name of Entity: **Clarksville Health System, G.P. (EIN# 20-3500835)**
d/b/a Gateway Medical Center
Facility Address: 651 Dunlop Lane, Clarksville, TN 37040
Corporate Address: 4000 Meridian Blvd., Franklin, TN 37067

The disclosing entity's **Partners** are:

Clarksville Holdings, LLC (EIN: 20-3320418) (80% ownership)
4000 Meridian Blvd., Franklin, TN 37067

GHS Holdings, LLC (EIN: 20-3634684) (20% ownership)
651 Dunlop Lane, Clarksville, TN 37040

The sole member of **Clarksville Holdings, LLC** is:
Clarksville Holdings II, LLC (EIN: 45-5498575)
4000 Meridian Blvd., Franklin, TN 37067

Whose sole member is:
River Region Medical Corporation (EIN: 62-1576702)
4000 Meridian Blvd., Franklin, TN 37067

Whose sole member is:
Triad Holdings V, LLC (EIN: 51-0327978)
4000 Meridian Blvd., Franklin, TN 37067

Whose sole member is:
Tennyson Holdings, LLC (EIN: 20-3943816)
4000 Meridian Blvd., Franklin, TN 37067

Whose sole member is:
Triad Healthcare Corporation (EIN: 75-2816101)
4000 Meridian Blvd., Franklin, TN 37067

Which is wholly owned by:
CHS/Community Health Systems, Inc. (DE Corp) (EIN: 76-0137985)
4000 Meridian Blvd., Franklin, TN 37067

Which is wholly owned by:
Community Health Systems, Inc. (DE Corp) (EIN: 13-3893191)
a publicly traded company
4000 Meridian Blvd., Franklin, TN 37067

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

Directors:

Category B Directors (appointed by Clarksville Holdings, LLC)
Marty Smith
David Nicely
Lynne Mitchell
Mark Marsh
Peter Silkowski, M.D.

Category A Directors (appointed by GHS Holdings, LLC)
William H. Wyatt
Cecil E. Morgan, Jr.
Robert S. Powers
Judy Landiss
Adel Saleh, M.D.

The officers of Clarksville Holdings, LLC are:

NAME	TITLE	STREET ADDRESS
W. Larry Cash	President	4000 Meridian Blvd. Franklin, TN 37067
Martin Schweinhart	Executive Vice President Vice President	4000 Meridian Blvd. Franklin, TN 37067
Rachel A. Seifert	Executive Vice President and Secretary	4000 Meridian Blvd. Franklin, TN 37067
James W. Doucette	Senior Vice President and Treasurer	4000 Meridian Blvd. Franklin, TN 37067
Kevin J. Hammons	Senior Vice President	4000 Meridian Blvd. Franklin, TN 37067
Christopher G. Cobb	Asst. Secretary	4000 Meridian Blvd. Franklin, TN 37067

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

4. **Section A., Applicant Profile, Item 13**
Please clarify if the applicant is contracted with Blue Cross Blue Shield TennCare MCO BlueCare.

Yes. Gateway is a contracted provider with BCBS BlueCare.

5. **Section B, Project Description, Item I.**

a. Please clarify why the applicant did not choose I 24, Exit 8 (TN237, Rossview Road) as a location for the satellite ER.

The applicant studied Montgomery County for a period of months, with the assistance of a highly experienced national consulting firm. Demographic analysis at neighborhood levels, employment trends, and traffic counts were considered as well as other factors. ED's are used by many patients who are not at home at the time an injury or illness occurs; they may be driving, shopping, pursuing recreation, or working far from their residences.

The I-24 Exit 11 site and two other sites were identified as the best locations in terms of providing the best possible access times to the largest residential and commuting/driving populations within the county. The Exit 11 location was chosen because of interstate access and distance from the existing ED--with improved accessibility being a prime objective.

Exit 8 was not among the better sites. Gateway Medical Center at Exit 4 is too close to Exit 8 for Exit 8 to provide the community with optimal distribution and accessibility of emergency care resources. Woodlawn and Cunningham were not good options because they do not represent significant population centers or high traffic areas compared to the preferred sites. For example, the daily Highways 13 and 48 traffic counts around Cunningham (4,103 and 4,785 respectively) are significantly below those on Highway 76 and I-24 at Exit 11 (23,010 and >50,000, respectively).

b. The applicant includes the zip code 34042 in the proposed service area on the top of page 6. Please clarify if the applicant intended the zip code to be 37042 instead.

That was a typographical error. Zip code 37042 is what was meant. Attached after this page is a revised page 6R.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

c. It is noted the Gateway Medical Center's service area includes Stewart County. Please provide an overview of emergency services available in Stewart County.

There is no hospital or emergency service located in Stewart County. That county relies heavily on Montgomery County's acute care services.

d. Please clarify the reason the proposed satellite location was chosen over Woodlawn, TN located on Highway 79 which appears to be more centrally located in the applicant's service area, or Cunningham, TN which is located in Southern Montgomery County.

As stated above, Woodlawn and Cunningham were not good options because they do not represent significant population centers or high traffic areas compared to the preferred sites. For example, daily Highways 13 and 48 traffic counts around Cunningham (4,103 and 4,785 respectively) are significantly below those on Highway 76 and I-24 at Exit 11 (23,010 and >50,000, respectively).

e. What is the distance between the applicant's proposed satellite emergency room and NorthCrest Medical Center's proposed satellite emergency facility being proposed in CN1507-028 located on the west side of I-24 at Exit 11 near Gateway Plaza Boulevard and Highway 76?

The applicant cannot identify exactly where the NorthCrest ED facility will be. The applicant estimates that it would likely be within five hundred yards of this project based on NorthCrest's description in the public notice.

f. In light of the fact that this is one of two simultaneous review applications does the applicant believe there is a need for two satellite EDs operated under the license of 2 different hospitals in essentially the same location?

No.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

g. What will the applicant do if this application is denied?

The applicant will not speculate about that so early in this process. Gateway Medical Center and the communities it serves have a pressing need for more emergency room capacity and for wider distribution of such services within this very populous and rapidly growing county. Gateway's choice of options--such as appeal; reapplication; application for another location--would have to take into consideration the HSDA's decision on the NorthCrest project, in addition to the reasons cited by the HSDA Board in its action on Gateway's project.

h. Please provide an overview of the applicant's experience in operating a satellite emergency facility.

The applicant has significant experience in developing and operating a satellite emergency facility. As a company, the CHSPSC, LLC development team is currently constructing five satellite emergency facilities like this, and has completed four others. These facilities are in eight different States. Additional satellite emergency departments are in the planning stage in multiple States.

In the project service area itself, Gateway's Director of Nursing Services (Patricia Fuller, RN, CEN, NEBC, FACHE) led the development and opening of a similar facility in Delaware--including establishing its staffing plan and employing its clinical staff.

i. It is noted the applicant states both NorthCrest and Gateway Medical Center emergency departments have high utilization rates. However, given the projected utilization in Year 1, it seems likely that the most significant impact would be to Gateway's main ED given its location in the 3 zip code service area that accounts for approximately 87% of Montgomery County's total population in 2015. However, what are the applicant's plans if the proposed satellite facility does not help offset increasing ED visit volumes & capacity issues continue to pose significant problems to Gateway's main ER?

That "no-offset" scenario is considered so unlikely that no contingency plans for it will be made during this review process. One option would be to propose a second satellite ED at another location to better ensure that the main ED was relieved of its capacity issues for the near future. This would likely be no more costly than Gateway's least preferable option, which would be an on-campus expansion.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

j. It is understood the applicant has renovation/expansion in progress for its emergency department on the main campus and 1 additional ED room will be added in the next 60 days. However, what are the main factors that prevent the applicant from requesting a CON for expanding the main hospital campus by adding the 8 rooms being requested for the proposed satellite ED?

Additional expansion is theoretically possible, but not practical, for four reasons.

First, an on-campus expansion would do nothing to improve accessibility to emergency care for the growing populations in and near south Montgomery County. That alone makes it an unacceptable option as long as a good satellite alternative location is available.

Second, an expansion of 8 beds would necessitate major renovation of existing ED areas (to maintain good workflow); and that cannot be accomplished without major disruptions of emergency care an already overburdened Department. There is no alternative Emergency Department in this county that could be used as an alternative during construction. There is no adjoining space that can be used "temporarily" during such a project.

Third, the expenses of staging such construction would likely make an on-campus addition as expensive as the proposed satellite. The current $2 million dollar update of the Gateway ED makes that very clear--and only one treatment room is being added. Several factors to consider with a major 8-room expansion include the cost of plumbing and major HVAC upgrades (due to the number of air exchanges that would be required). Given the ED's current location, in particular its adjacency to the Imaging department, external expansion into the main parking lot would be required.

Fourth, expanding the ED outward would negatively impact parking and circulation drives around the existing hospital.

Facing these realities, Gateway feels that the only appropriate course of action is to draw visits off to a satellite location. It improves community accessibility without disrupting existing services to the community, and at a comparable cost.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

k. It is noted the applicant is not planning to provide MRI services at the proposed satellite ER. Based on the utilization projected for Levels IV and V on page 44 of the application, it appears that prep for MRI as a special imaging study may be clinically indicated. If Level IV and V patient conditions that currently account for approximately 55% of total ED volumes at the main ED and are expected to account for approximately 50% of the proposed satellite ED volumes at the proposed facility, what arrangements are planned for access to an existing MRI service close to the facility?

On-site MRI at the satellite is definitely not indicated. MRI studies are very rarely an emergency procedure. At Gateway's main campus in 2014, out of 63,963 visits, only 26 MRI studies were ordered for ED patients. That is an MRI per visit rate of four-hundredths of one percent (.04%). Ambulance or personal transport (after stabilization) to the main campus MRI will be utilized in those rare cases where a satellite ED patient requires MRI. The main campus MRI service is within ten minutes' drive time up the interstate.

l. Please clarify if mobile crisis staff will have access to conduct assessments. If so, where? Where will law enforcement be located?

A security guard will be stationed in the reception area; but the guard will be making rounds of the premises most of the time.

The county has an excellent mobile crisis team with whom Gateway works closely; it will have the same access to the satellite that it has to the main campus ED.

m. Many times emergency room copays are waived if the patient is admitted inpatient. Please clarify if this arrangement is possible at the proposed satellite ED.

Yes. ER patients that are admitted as inpatients will be asked to pay only their out-of-pocket expense related to the inpatient admission--not to the ED.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

n. On Monday December 15, 2014, Tennessee Gov. Bill Haslam unveiled his Insure Tennessee plan, a two year pilot program to provide health care coverage to Tennesseans who currently don't have access to health insurance or have limited options. The program rewards healthy behaviors, prepares members to transition to private coverage, promotes personal responsibility and incentivizes choosing preventative and routine care instead of unnecessary use of emergency rooms. What will the impact of Insure TN have on the applicant's volume projection?

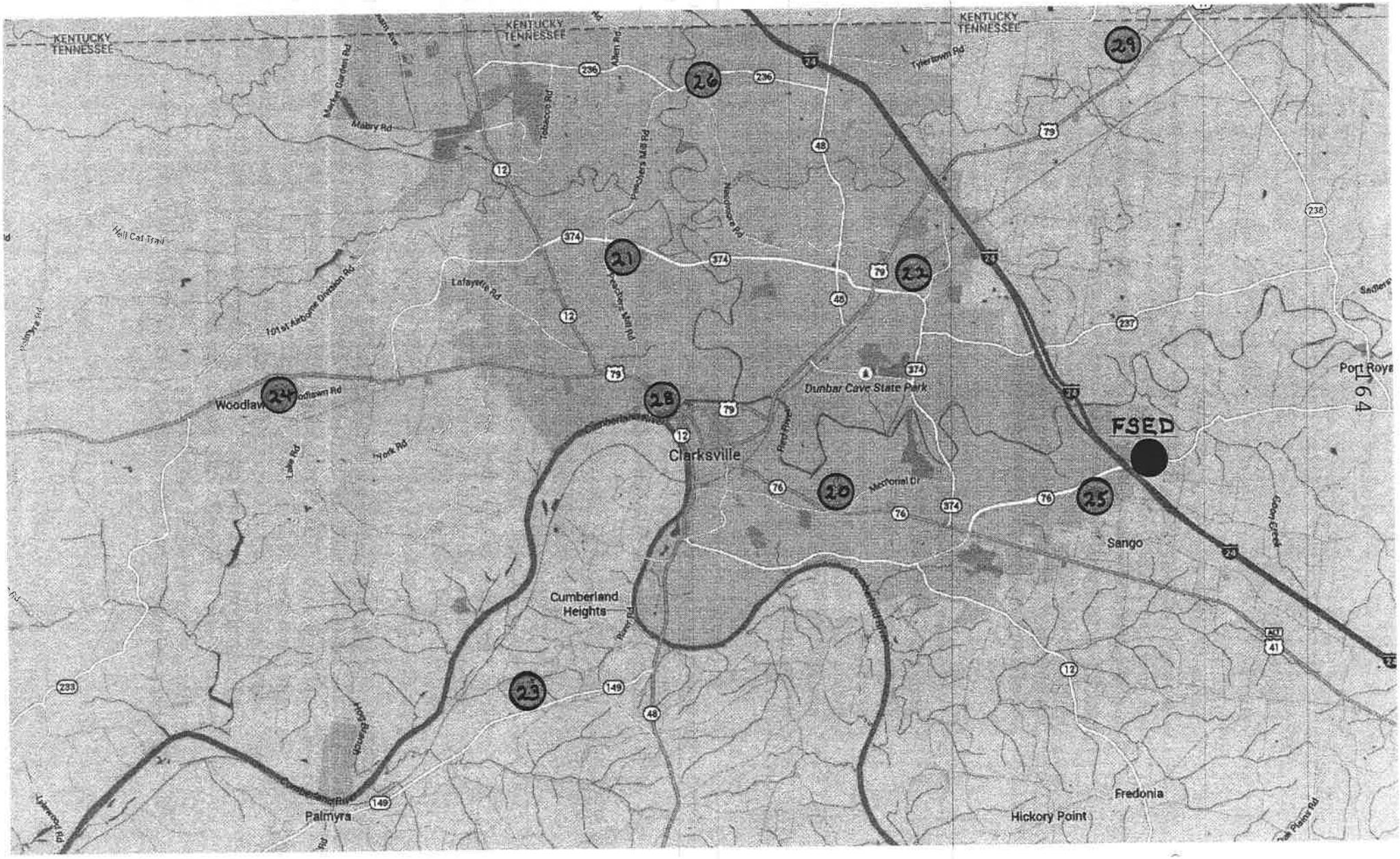
Gateway Medical Center actively worked for adoption of that proposed program. However, the Insure Tennessee proposal was voted down by the Tennessee General Assembly twice during the 2015 legislative sessions (a special session and the general session). The governor has publicly stated he does not intend to re-introduce Insure Tennessee in the 2016 legislative session. Any attempt to predict the impact of the proposal on this project would be speculative and meaningless.

o. Please clarify if an ambulance will be stationed at the satellite ED 24 hours/day, 7days/week, 365 days/year for life-threatening transports to full service hospitals. In your response, please also identify locations of emergency ambulance locations in the proposed zip code service area.

It is not the applicant's plan to initially provide an ambulance station at Exit 11. The Freestanding ED is a full-service emergency department staffed with Board Certified Emergency Physicians and Emergency trained nursing staff. It will be able to handle life-threatening emergencies stabilizing patients for EMS transport to a full-service hospital. Please note that such a resource at this location will be a significant improvement over having no emergency stabilization medical care south of Exit 4, which is today's situation.

Ambulance stations in the zip code primary service area are shown on the map following this page, and can be identified with the key list on the second following page. The Montgomery County EMS covers an area of 544 square miles, provides 24-hour emergency and non-emergency medical transport, rope rescue, dive rescue and recovery, trench rescue, tactical medics, and many other specialized rescue operations. It has achieved an "A" rating from the Tennessee Department of Health. As shown on the map, it has excellent distribution throughout the project service area. It is staffed by more than 120 Critical Care paramedics, paramedics, emergency medical technicians, and nurses.

Google Maps



https://www.google.com/maps/@36.5141279,-87.3615762,12z

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

EMS Station Locations

Station 20: 1610 Haynes St.

Station 21: 1133 Peachers Mill Rd.

Station 22: 321 Warfield Blvd

Station 23: 2097 Ussery Rd. South

Station 24: 2274 Wodlawn Blvd.

Station 25: 820 Fire Station Rd.

Station 26: 2633 Tiny Town Rd.

Station 28: 2 Providence Blvd.

Station 29: 3846 Guthrie Hwy.

Station 27 is listed as being at 3991 Morgan Circle Road, serving the southernmost part of Montgomery Co. It was not able to be placed on the map.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

6. Section C, Project Description, Item II.A and II.D

a. Item II.A - The description of the construction at an estimated cost of approximately $405/SF is noted. Given that Northcrest also proposes an 8-room ED satellite facility near the applicant at a proposed construction cost of $325/SF, please describe the key reasons that help highlight the reasons for the differences between the costs to construct the 2 facilities.

Gateway has no knowledge of how NorthCrest made its project's cost estimates. Gateway's project cost has been projected by professional construction project planners with extensive and very current experience of healthcare construction projects in Montgomery County and at other satellite ED projects in many States. Gateway's cost projection is reality-based. It is also informed by Gateway's current experience with its ongoing ED project at the main campus.

b. Given the outmigration noted elsewhere in the application, what plans were considered in adding a helipad to the site to facilitate rapid transport to major trauma centers in Davidson County?

A helipad has been considered from the beginning of the project. Gateway is prepared to add one, if suggested by Montgomery County EMS, which should have a major role in the decision about whether to offer two ED helipads in Montgomery County. Its use would be very light. Air transport from the satellite ED may occur approximately once every two weeks, based on Gateway's experience with its campus ED.

c. How many patients were transported by air ambulance from Gateway to other hospitals in 2014?

Out of 63,693 visits in 2014, the main campus ED had 210 airflight transports to other locations, an average of four times per week. The service was needed for one-third of one percent of the ED patients.

SUPPLEMENTAL #1
July 27, 2015
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d. Item II.D - Although the project is not relocation or replacement, the discussion of need to expand ED capacity of Gateway Medical Center is noted. However, in reviewing the hospital's historical ED visit volumes on pages 21 and 22, it appears that the amounts differ from the utilization reported by the hospital to the Tennessee Department of Health in the JAR for the 2011, 2012 and 2013 calendar year periods. Please explain. (*Note: the utilization reported in other parts of the application such as pages 38, 41 and 44 also differ from the JAR for these periods).*

The visits listed in the application were correct, and are the same numbers reported in the hospital's Joint Annual Reports. The visits statistic used in the application was "patients presenting", which has been used and accepted by HSDA staff in prior CON applications.

e. The ESRI data base use to complete the demand analysis showing 81,572 total ED visits by residents of the 3 zip code areas is noted. Please discuss this data source in more detail by describing the methodology used to arrive at the ED visit volumes shown in the table on page 25 of the application.

The visits projections came from Stratasan, an established data company partnered with more than 600 health systems in 40 States. Their work products in strategic planning are widely respected in the healthcare industry. They have performed more than 175 ED market studies for clients' CON's. Their methodology for projecting visits is proprietary. They have told Gateway that although ESRI supplies them with population data for many engagements, ESRI was not used on Gateway's engagement because Pitney Bowes provides the age, gender, and race components that are needed for the projections made for the Montgomery County market. So the application's reference to ESRI was incorrect. Pitney Bowes is also a nationally known data vendor to the healthcare industry and to commercial clients.

f. It appears the Cumberland River is the boundary between the Zip Codes 37043 and 37040 and Zip Codes 37040 and 37042. Please discuss how a possible ER patient would cross the river from Zip codes 37040 and 37042 to access the proposed Satellite ER.

This is best shown visually in the key maps of area bridges, submitted after page Eleven below. Clarksville is a well-developed, rapidly growing city that does not have "river-based" access problems to the project site. It has seven bridges over its rivers connecting neighborhoods within the project service area. The applicant provided drive times from many points in the service area to the site; and has provided in this letter additional drive times requested by staff.

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g. With the natural barrier of the Cumberland River, please discuss why a patient would drive past Gateway Medical Center from zip code 37042 to the proposed satellite ER.

The hospital's estimate was based on two facts. First, if there is a longer waiting time for patients arriving at the main campus than there is at the satellite, EMS will know about that through radio contact; and EMS ambulances transporting patients out of that zip code will go to the satellite because there the patient can actually be seen by an ED caregiver more quickly.

The second reason is that many residents of that zip code will not be coming to an ED from their homes. As stated in the application, many of them will be struck by illness or injury while far from their residence--at places of employment; on roadways (including I-24) while commuting to work or on personal business; etc.

h. Please clarify the reason the applicant did not include Zip Code 37010 in the proposed service area while it borders 37043 (Sango, TN) and Interstate 24.

Please note that the application described the three main zip codes as the project's primary service area, generating the majority of its volume. Many other zip codes will be in its total service area, including 37010.

The 37010 zip code has little population. In 2014 its residents made only 498 visits to the Gateway ED, which was 0.8% of all the ED's visits). Only a portion of those are expected to relocate to the satellite ED. Such small numbers do not justify including 37010 in this project's primary service area.

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i. Please clarify if any part of the Zip Code 37043 is located in Robertson County.

The applicant does not have mapping software that can overlay counties and zip codes. To respond, Gateway has purchased from ESRI, a commercial vendor, the map on the following page. It appears that zip code 37043 does not extend into any part of Robertson County.

7. Section B, Project Description, Item III.A and III.B.1

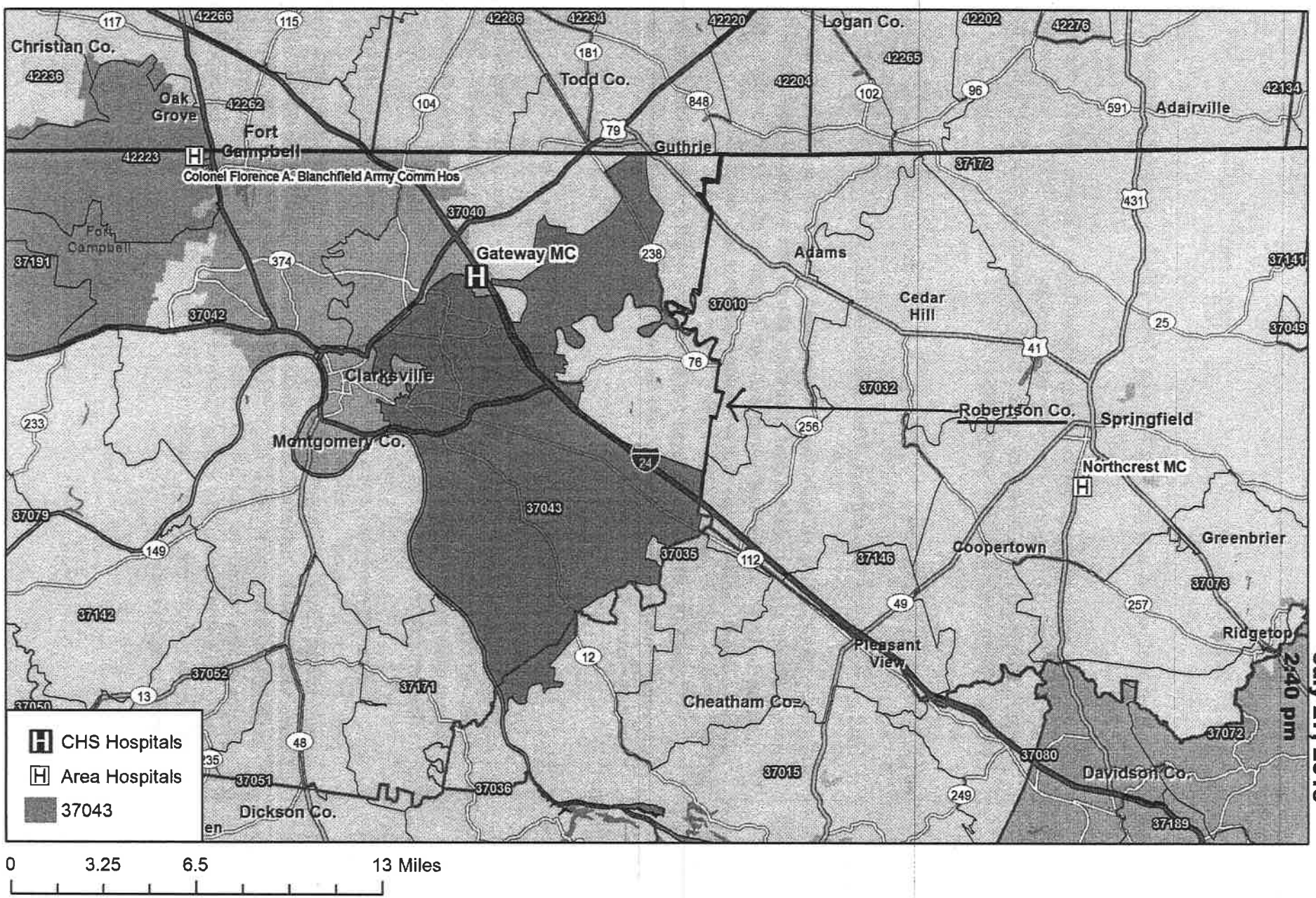
a. Item III.A-The plot plan for the proposed facility on a 3.28 acre site is noted. Please also provide a plot plan that shows the proposed satellite ED's location to the Cumberland River and the locations of existing bridges that allow residents of the 3 zip code service area access to Clarksville.

Attached following this page is a keyed map of all seven local bridges that cross the Cumberland and Red Rivers in the zip code service area, along with a key page listing their locations.

b. Please explain the storm water area in the plot plan. Is this caused by drain off from flooding of the Cumberland River & its tributaries? What impact does the storm water area have to preparation of the site as it relates to drainage & elevation?

The site does not have a flooding issue. The proposed storm water area is part of the required erosion prevention and sediment control during the construction phase, and to provide detention and water quality for the addition of impervious area to the site. The architect will work with the local and state governing agencies to verify if the pond is needed, the size of the pond, etc. The proposed site would be graded to drain into the storm water pond. The site appears to fall off to the east so the architect placed the pond on the lower portion of the site; however, exact location could change once the final topographic survey is completed.

Gateway MC - ZIP Code 37043



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Google Clarksville, TN

Clarksville Bridges (7)

1. Cumberland Drive (SH 48 & 13) crosses the Cumberland River N of Salem Plaza and Mayhew Road

2. Providence Blvd (US 79 and Alt US 41) crosses the Red River Downtown NW of Riverside Dr. & Two Rivers Mall

3. College St. / Wilma Rudolph Blvd. (U.S. 79) crosses the Red River NE of Austin- Peay State University Campus and between Kraft St. and West Dr.

4. Richview Road (SH 374) crosses the Red River N of Memorial Dr. and S of Rivermont Subdivision.

5. IH-24 crosses the Red River between Exit 8 and Exit 4 on the` east side of Clarksville.

6. The 101st Airborne Division Pkwy (SH 374) crosses the West Fork of the Red River just west of Sugartree Subdivision (no intersecting roads) and east of Kenwood High School.

7. Zinc Plant Road crosses the Cumberland River south of Fairgrounds Park and Clarksville Square and off of Cumberland Drive (SH 48 & 13)

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c. Item III.B1-Please clarify why the applicant expects patients to not access the proposed emergency room via public transportation.

There are two reasons. First, many persons, especially hospital employees and visiting families, do arrive at Gateway's campus by bus; there is a bus stop at the front entrance of the hospital. However, Gateway staff cannot recall being told of, or seeing, ill or injured patients debarking from the bus to reach the Emergency Room.

The second and stronger reason for assuming that satellite ED patients would not arrive by bus (at least in its early years) is that the Montgomery County bus system does not operate routes to any location from which an ill or injured patient could safely walk east of I-24 to the satellite ED site. It would be a walk of several miles from the WalMart center (where buses come) at Highway 41 and MLK Boulevard (Hwy 76) to the satellite project site. Current bus route information is attached after this page.

The applicant agrees that if and when the bus system does extend a route to reach the east side of Exit 11, it is theoretically possible that on rare occasions an ill or injured person seeking the satellite ED would use the bus.

d. Please complete the following table that shows distance to existing Hospital EDs for the applicant's primary service area zip codes:

This long table is provided on page Thirteen of this letter, to avoid being split over two pages.

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Clarksville Transit System Bus Routes

Route 1 - Fort Campbell:
Beginning at Clarksville Transit Center; circuit of Central Business District and Austin-Peay University; NW along US 79 and SH 12 to Screaming Eagle Blvd / Blanchfield Army Community Hospital / Outlaw Field Clarksville Airport; following the same route returning to the Transit Center.

Route 2 - Tiny Town Road:
Beginning at Clarksville Transit Center; circuit of Central Business District and Austin-Peay University; NW along US 79 and SH 12 to Kentucky border; East on Tobacco Rd. & Tiny Town Rd. to Walgreen's at SH 48 near its intersection with I-24 (Exit 9); and returning to the Transit Center along the same route.

Route 3 - Cunningham Loop:
Beginning at Clarksville Transit Center; NW along Providence (US 79) past Peachers Mill Rd; N on Donna Dr.; East on Cunningham Lane, making a loop to the Wal-mart Super Store; returning W along Cunningham; then SE along Lafayette Rd.; and generally following Providence in returning to the Transit Center.

Route 4 - Peachers Mill Road:
Beginning at Clarksville Transit Center; NW along Providence (US 79); then N on Peachers Mill Rd past Kenwood Schools to the 101st Airborne Division Pkwy; looping south past Wal-Mart (Quin Ln.); returning to the Transit Center along Peachers Mill Road and Providence.

Route 5 - Hilldale:
Beginning at Clarksville Transit Center; generally S along S Riverside Dr. and E along Ashland City Rd.; N on Edmondson Ferry Rd. following turns on Monroe, Swift, Woodmont, Greenwood, Woodard, Clark, and Greenwood as far as the Ajax Senior Center; E on Madison and S on Pageant past the Veterans Plaza and Library and the Health Department; then S, making several loops to join Paradise Hills Rd.; N on Golf Club and Memorial; S on Richview to Madison; then making an eastern loop past Wal-Mart and Clarksville High School before returning to the Transit Center along the same route.

Route 6 - Madison Street:
Beginning at Clarksville Transit Center; S along 2nd St. and E on Crossland Ave; N on Richardson and Talley Sts.; L on Washington, then N on Greenwood past the Ajax Senior Center; SE along Madison and Golf Club Lane; then out Madison and looping past K-Mart, Food Lion, Wal-Mart, Pizza Hut, and Clarksville High School; then returning along Richview, Memorial, and Madison to the Transit Center.

Route 7 - Gov. Square Mall:
Beginning at Clarksville Transit Center; NE along College and Wilma Rudolph Blvd. (US 79) past Miller Mohe Technical College, Draughons College, the Social Security Office, K-Mart, Governors Square Mall, as far as Wal-Mart (near I-24 Exit 4), then returning along the same route to the Transit Center.

Route 8 - 101 Express / Gateway Medical Center:
Beginning at Clarksville Transit Center; NE along College and Wilma Rudolph Blvd. (US 79); E on Warfield Blvd.; N on Ted Crozier Blvd. past Gateway Medical Center; looping Governors Square Mall on Holiday and Wilma Rudolph Blvd; W on 101st Airborne Division Pkwy to Fort Campbell Blvd.; then returning along the same route to the Transit Center.

Route 812 Exit 8 to Nashville:
This route is not mapped by the Clarksville Transit System, but provides direct service between the Clarksville Transit Center, the Rossview Road Park & Ride at I-24 Exit 8, and Music City Center in Nashville.

Route 900 - Peay Pickup:
This is a 12-minute circuit route around the Austin-Peay University campus following College, Home, West, 2nd, Marion, Robb, Farris, and 8th Streets, designed to serve the university and adjoining properties.

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Distance to Hospital EDs from Zip codes in Applicant's Service Area

			To Gateway Satellite ER		To Gateway Main ED	
Zip Code	**Community**	**County**	**Distance in miles**	**Drive time in minutes**	**Distance in miles**	**Drive time in minutes**
37042	Dotsonville Community Center, 3189 Dotsonville Rd, Clarksville, TN 37042	Montgomery	21.9 mi.	32 min.	17.5 mi.	28 min.
37142	Palmyra Health Care Center, 2727 Palmyra Rd, Palmyra, TN	Montgomery	18.5 mi.	25 min.	18.0 mi.	27 min.
37042	Clarksville Regional Airport, 200A, Outlaw Field Rd, Clarksville, TN	Montgomery	16.5 mi.	20 min.	11.9 mi.	17 min.
37058	Stewart County Community Medical Center, 1021 Spring St, Dover, TN	Stewart	43.7 mi.	51 min.	39.0 mi.	44 min.
37043	Rossview High School, 1237 Rossview Road, Clarksville, TN	Montgomery	3.6 mi.	6 min.	4.0 mi.	8 min.
37040	Cumberland Heights Elementary School, 2093 Ussery Road, Clarksville, TN	Montgomery	14.0 mi.	20 min.	13.5 mi.	22 min.
37052	Montgomery Central High School, 3955 Highway 48, Cunningham, TN	Montgomery	16.9 mi.	22 min.	16.4 mi.	26 min.
37050	Cumberland City, TN	Stewart	27.8 mi.	34 min.	27.3 mi.	37 min.

Source: Google Maps, July 2015.

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e. It appears Austin Peay State University, with an enrollment of almost 10,000 is located in Zip Code 37044, but is also totally surrounded by the 37040 zip code area. Please clarify if the university is included in the proposed service area.

The University's 37044 zip code is a special "non-residential" zip code for purposes of efficient mail delivery. It is a common postal service practice for certain areas of a city, including industrial parks. Because 37044 is wholly within the larger 37040 zip code, it did not need to be listed as a separate zip code for purposes of planning this project. Its population is included within the population of the surrounding zip code for demographic purposes.

The university is closer to the main hospital than to the satellite so it is likely to use the main ED for emergencies that arise on the campus itself. But as noted elsewhere, if its students are driving on I-24 or working part-time, or shopping, or recreating, off-campus; they might be closer to the satellite ED and might go to the satellite for emergency care needs.

f. Please provide an overview of the proposed State Route 374 project which will provide a new crossing of the Cumberland River near River Mile 119. In your response please discuss the impact upon the proposal and the timeframe of completion for the transportation project. Please refer to the following web-site:
http://www.tn.gov/tdot/article/transportation-projects-region-3-state-route-374-project

According to this website, the project consists of a new transportation corridor from SR 374/SR 149 (North Parkway) west of River Road north to SR 76 (US 79) (Dover Road) at the existing SR 374 (Paul B. Huff Memorial Parkway) interchange, a distance of approximately seven miles. The proposed roadway would provide two travel lanes in each direction, separated by a 48-foot median. Twelve-foot outside shoulders would also be constructed. The project would be constructed primarily on new location and would include a new crossing of the Cumberland River near River Mile 119. The proposed right-of-way would be 300 feet wide.

The applicant does not know the timetable for its completion; but the website indicates that it will be the Fall of 2015 before its Environmental Impact Statement is completed. The applicant noted that the stated purpose of the project is to improve north-south drive times in the western part of Clarksville; it is not near the satellite project site on the east side of Clarksville. So the Route 374 bridge may not have any positive or negative impact on this project.

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8. **Section B, Project Description, Item IV (Floor Plan)**
The floor plan of the proposed satellite facility is noted. Please provide clarification for the following:

a. Is the waiting room capacity adequately sized to serve an 8 treatment room emergency facility?

Yes. Very often, a ratio of 1.5 seats per ED treatment room is used in planning a waiting area. For 8 rooms, that would indicate 12 seats. In this plan, due to the absence of other areas where waiting could occur in extremely heavy period of utilization, the applicant is providing 20 seats.

b. How will the behavior room be used and what conditions will be treated? Will the room be secured?

Just as in any other ED, the room designated "behavior" will be used to isolate patients with emotional issues that may make them a danger to themselves or others, or might make them too disruptive for a normal treatment room. Assessments will be conducted in the room. If the patients need treatment at a mental health facility they will remain in this room as a safe holding room pending transport.

In terms of security, the door is locked all the time (except during an alarm) and staff are the only ones with keys/badges for security. Typically, a card reader is placed on the outside of the room for badge access into the space. The door would always be locked unless there is a fire alarm. To get out of the room, a card reader is installed inside the wall with a different color square painted on the wall to highlight the location. A staff member can wave a badge at the wall, as with a typical badge reader, and the door will unlock. This setup allows us to keep the room free of hardware and protrusions to maintain a safe environment for the patient.

c. There is no trauma room shown in the floor plan. Will any of the treatment rooms be set up to treat trauma patients? Please clarify.

Trauma is a term that is often used loosely to describe a serious injury. This project has two major treatment rooms for very high acuity patients; Gateway ED staff refers to this type of room as a "resuscitation" room. True trauma rooms from a clinical design standpoint are found almost exclusively in designated trauma centers. They are much larger (400+ SF) and are basically equipped as operating rooms. This project does not have such rooms.

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9. **Section C, Need, Item 1 (Project Specific Criteria) Construction, Renovation, Item 1.b and Item 3.a**

a. Item 1.a – It appears the response indicates that approximately 60% of Gateway's ED visits were by residents of the 3 zip code service area in CY2014. What data is available to illustrate the level of outmigration to hospital ED's outside the service area during the period?

The applicant does not have access to THA data identifying outmigration to ED's outside Montgomery County.

b. Item 3.a - Please briefly describe how the 1,500 per room Emergency Department Benchmarking Alliance standard takes into account such factors as average minutes per room, average minutes per level of care and room occupancy differences between 7-3, 3-11, and 11-7 shifts?

The applicant does not have access to that information. The Alliance is an organization whose data is accessible only on a membership basis. It maintains a database updated by representatives of its member hospitals (800 at present), as described on the following two pages, printed from its website.

10. **Section C, Need, Item 3 (Service Area)**

a. To what extent did patient outmigration by residents of the applicant's proposed service area to ED sites in Kentucky such as the Jennie Stuart Medical Center ED in Hopkinsville, factor into determination of the proposed facility's service area? Please clarify.

It did not enter into consideration. Gateway has no access to the THA database, which may, or may not, quantify use of Kentucky ED's like Jennie Stuart's. Planning for this project has been based on Gateway's own ED visit volumes, historical and projected, and demographic analysis provided by well-established consulting firms. Development is occurring more to the south of the main Gateway campus rather than to its north in the direction of Kentucky. With a satellite drawing utilization away from the main campus, the main campus will have more room to serve whatever number of patients might be outmigrating to Kentucky.

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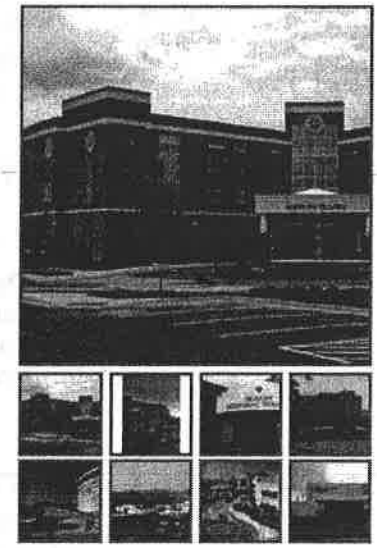

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About Us

The Emergency Department Benchmarking Alliance (EDBA) is a not-for-profit organization which exists solely to support the people who manage emergency departments across the country.

We do this in multiple ways:

- By maintaining an independent, unbiased database of demographic and performance metrics. This database contains some of the cleanest information in the business. It is created by the membership, for the use of the membership, and has no commercial interest attached to it. As of January, 2013, we have **over 800 hospitals** represented in our database.
- By fostering community, sharing, support, and mutual advice for people with operational responsibilities in emergency services.
- By co-sponsoring regular educational events relating to ED management.
- By sponsoring consensus conferences, which bring together authoritative people from, and relating to our field, in order to set national standards and influence national practice.
- By providing a framework and support for research relating to ED operations.

By pursuing these goals, we also support another important goal: The identification, development, and implementation of future best practices in Emergency Medicine.

EDBA was founded in the early 1990's by Emergency Department leaders representing large ED's in the mid-west seeking solutions to local service issues. Over the years it has expanded in scope, mission, and geography. The database now includes hospitals of all sizes from all over the country, and our educational, research, and consensus-building activities have national implications. EDBA welcomes all disciplines of Emergency Department leaders, including physicians, nurses, and management. The current President is Dr. Charles L. Reese, IV, MD from Christiana Care Health Services.

Effectively managing an ED, especially in this time of tremendous

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service pressure and rapid change, is one of the most challenging jobs in health care today. ED managers across the country tend to share similar problems and interests, and in essence speak a common language which is not understood well by those outside the specialty. One of the best parts of EDBA membership is being connected to others within this world, and being connected with new skill sets and concepts which can help address these specific issues.

- There could not be a better time to focus energy on the Emergency Department, at a time when so many citizens are relying on a site of excellent unscheduled health care.

Welcome to the Emergency Department Benchmarking Alliance!

Click here for a larger map

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b. Please compare the satellite ED facility's proposed service area by zip code with Gateway's main ED service area.

A comparison table is attached after this page.

c. The service area map in the attachment for Gateway Medical Center which includes Christian (KY), Montgomery (TN), and Stewart (TN) Counties is noted. However, please provide a service area map for the proposed satellite ED outlining the proposed 3 zip code service area.

The map is attached after this page.

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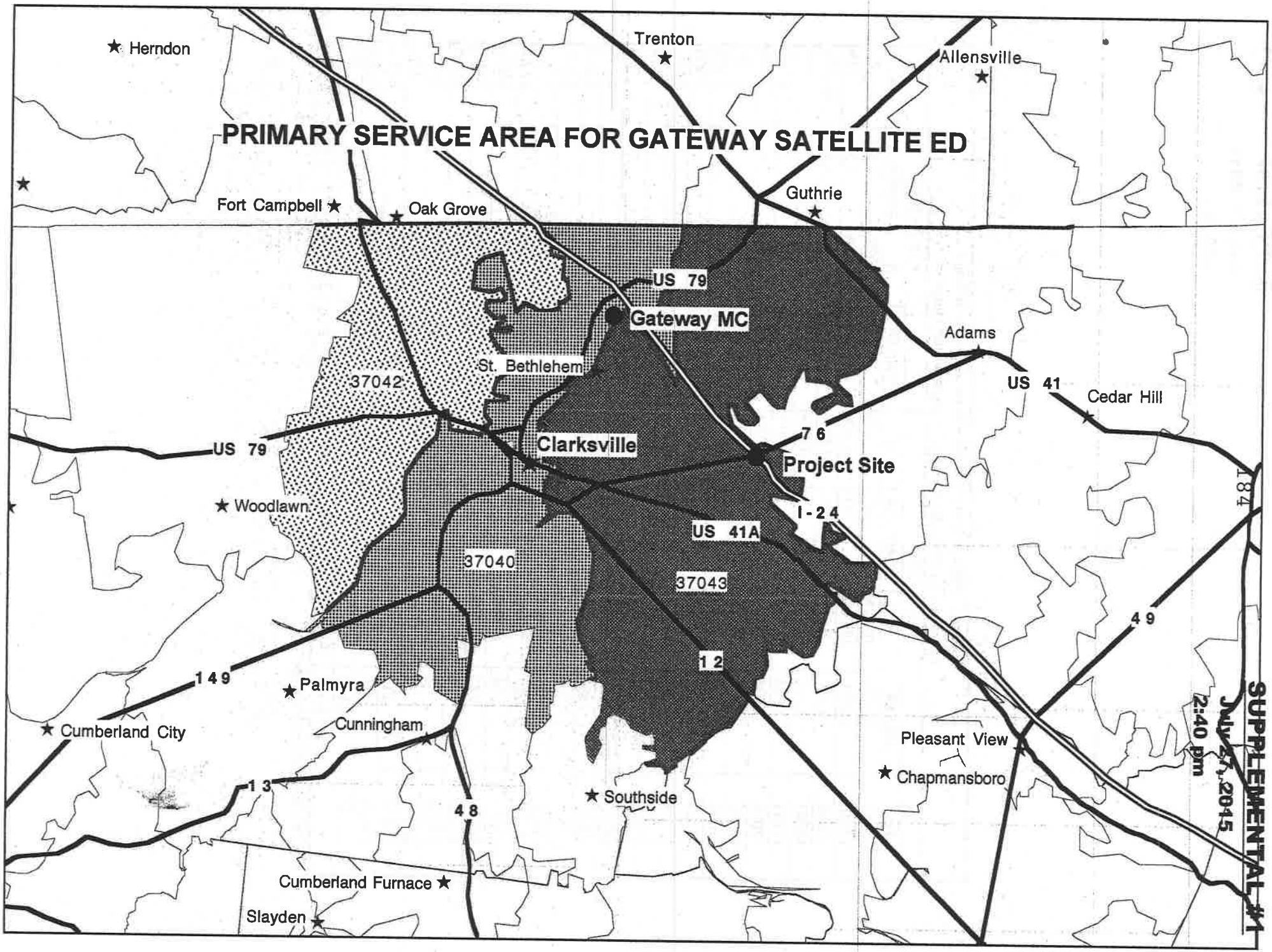
Gateway Medical Center Satellite Emergency Department Response to Question 10b--First Supplemental Questions								
	Year 1 - 2017				Year 2 - 2018			
Zip	Main ER	%	Satellite ER	%	Main ER	%	Satellite ER	%
37042	22,620	38.58%	1,453	14.12%	23,299	38.58%	1,496	14.12%
37040	16,936	28.88%	2,297	22.33%	17,444	28.88%	2,366	22.33%
37043	5,210	8.89%	6,358	61.81%	5,366	8.89%	6,549	61.81%
42262	1,304	2.22%	-	0.00%	1,343	2.22%	-	0.00%
37191	1,083	1.85%	-	0.00%	1,116	1.85%	-	0.00%
37058	1,036	1.77%	-	0.00%	1,067	1.77%	-	0.00%
37052	623	1.06%	-	0.00%	642	1.06%	-	0.00%
37079	620	1.06%	-	0.00%	638	1.06%	-	0.00%
42223	613	1.05%	-	0.00%	632	1.05%	-	0.00%
42234	600	1.02%	-	0.00%	617	1.02%	-	0.00%
42240	576	0.98%	-	0.00%	593	0.98%	-	0.00%
37010	400	0.68%	164	1.59%	412	0.68%	169	1.59%
37142	516	0.88%	-	0.00%	531	0.88%	-	0.00%
37023	388	0.66%	-	0.00%	400	0.66%	-	0.00%
37051	369	0.63%	-	0.00%	380	0.63%	-	0.00%
42220	356	0.61%	-	0.00%	367	0.61%	-	0.00%
37171	282	0.48%	-	0.00%	291	0.48%	-	0.00%
37015	234	0.40%	-	0.00%	241	0.40%	-	0.00%
37061	222	0.38%	-	0.00%	229	0.38%	-	0.00%
42286	172	0.29%	-	0.00%	177	0.29%	-	0.00%
37050	158	0.27%	-	0.00%	162	0.27%	-	0.00%
37178	131	0.22%	-	0.00%	135	0.22%	-	0.00%
37032	117	0.20%	8	0.08%	120	0.20%	8	0.08%
37035	115	0.20%	8	0.08%	118	0.20%	8	0.08%
Other	3,958	6.75%	-	0.00%	4,077	6.75%	-	0.00%
	58,638	100.00%	10,287	100.00%	60,397	100.00%	10,596	100.00%

Source: Hospital management


PRIMARY SERVICE AREA FOR GATEWAY SATELLITE ED
Herndon
Trenton
Allensville
Fort Campbell
Oak Grove
Guthrie
US 79
Gateway MC
Adams
St. Bethlehem
37042
US 41
Cedar Hill
US 79
Clarksville
76
Project Site
Woodlawn
I-24
US 41A
37040
37043
24
49
12
149
Palmyra
Cumberland City
Cunningham
Pleasant View
Chapmansboro
13
48
Southside
Cumberland Furnace
Slayden
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11. Section C, Need, Item 6.

a. As noted, Gateway's ED historical visits do not match the visits reported in the 2011, 2012, and 2013 Joint Annual Reports. Please explain. If needed, please revise and resubmit historical ER visit data.

As stated earlier in this response, this question is mistaken. The historical visits in the application do exactly match the visits reported in the Joint Annual Reports. No changes are required.

b. Given NorthCrest's existing urgent care center less than 1 mile from the proposed facility and other centers in Clarksville, what impact by that center and other urgent care centers in the application were considered in developing the utilization projections? Please identify existing urgent care centers in the applicant's service area by completing the table below.

The impact of these centers on hospital ED visits is implicitly reflected in the history of Gateway's ED visits. The centers' impacts were considered in Gateway's conservative projections of future visits.

Urgent Care Centers in Applicant's Proposed Service Area

Urgent Care Center Name	Address	Distance from Proposed ED	Operating Hours	Clinical Staff	Medicare, TennCare, & Major Insurance accepted?
NorthCrest Specialty Clinic*	2536 Hwy 49, Pleasant View 37146	14.8 mi.	Information unknown. Physician practice office.		
Premier Walk-In Clinic	2147 Wilma Rudolph Blvd Clarksville	6.7 mi.	See p. 39 CON Application	See p. 39 CON Application	yes
Doctor's Care#1	2320 Wilma Rudolph Blvd Clarksville	7.0 mi.	See p. 39 CON Application	See p. 39 CON Application	yes
Doctor's Care#2	2202 Madison St. Sango	3.6 mi.	See p. 39 CON Application	See p. 39 CON Application	yes
American Family Care	1763 Madison St. Clarksville	5.9 mi.	See p. 39 CON Application	See p. 39 CON Application	yes
Other	None known	--	--	--	--

Source: Google Maps July 2015; CON application page 39 for staffing.
** This is a NorthCrest affiliated specialty physician clinic and not an urgent care center.*

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c. Please complete the following table for ED patient origin by zip code for CY 2014 for zip codes with patient origin over 0.15%.

ED Visit by Residents of Applicant's Proposed Service Area, 2014

Patient Zip Code	Patient Community	Patient County	Total Patients Treated	Cumulative Patients Treated	% by Zip Code	Cumulative %
37032	Cedar Hill	Robertson	115	115	0.18%	0.18%
37010	Adams	Robertson	498	613	0.80%	0.98%
37043	Clarksville	Montgomery	9,716	10,329	15.54%	16.52%
37040	Clarksville	Montgomery	17,547	27,876	28.06%	44.58%
37052	Cunningham	Montgomery	581	28,457	0.93%	45.51%
37142	Palmyra	Montgomery	481	28,938	0.77%	46.28%
37171	Southside	Montgomery	263	29,201	0.42%	46.70%
Total			29,201	29,201	46.70%	46.70%

d. Please complete the following table for Gateway patients treated from 2014-2017 by level of care (*in accordance with definitions for Levels 1-V shown on page 58b of the application).*

In the Medicare system for hospital reimbursement, Level I is the lowest acuity; Level V is the highest acuity. The table below is completed according to that definition.

The applicant is also attaching after this page a revised page 44R, Table Eight-B in the application. Visit data have not changed but the levels to which they are assigned (I-V) has been reversed.

Gateway Medical Center ED Utilization by Level of Care

Level of Care	Main ED 2014	Main ED 2015	Main ED 2016	Main ED Year 1 2017	Satellite ED Year 1 2017	Combined Year 1 2017
Level I	17294	16828	17249	15115	2652	17767
Level II	17001	15320	15703	13760	2414	16174
Level III	21259	27506	28193	24705	4334	29039
Level IV	4519	5350	5484	4805	843	5648
Level V	269	281	288	253	44	297
Totals	60342	65285	66917	58638	10287	68925

Table Eight-B REVISED ON SUPPLEMENTALS: Gateway Medical Center Emergency Department Patients Presenting 2012-2018 By Level of Acuity							
	2012	2013	2014	2015	2016	Satellite Yr 1 2017	Satellite Yr 2 2018
Main ED							
Level V	419	114	269	281	288	251	257
Level IV	5,305	5,431	4,519	5,350	5,484	4,778	4,893
Level III	29,304	27,864	21,259	27,506	28,193	24,564	25,156
Level II	12,892	13,788	17,001	15,320	15,703	13,681	14,011
Level I	15,513	15,175	17,294	16,828	17,249	15,028	15,391
Sub Total	**63,433**	**62,372**	**60,342**	**65,285**	**66,917**	**58,303**	**59,709**
Satellite ED							
Level V	-	-	-	-	-	44	46
Level IV	-	-	-	-	-	843	868
Level III	-	-	-	-	-	4,334	4,465
Level II	-	-	-	-	-	2,414	2,486
Level I	-	-	-	-	-	2,652	2,731
Sub Total	-	-	-	-	-	**10,287**	**10,596**
Combined ED's						**68,590**	**70,305**

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

e. Please complete the following chart for projected ED utilization by zip code in in Year 1 of the proposed Satellite ED project (2017) for zip codes with patient origin over 0.15%.

This is provided below, but again, this is Gateway's utilization and not the total visits to all destinations from those zip codes.

Projected Utilization by Zip codes in Applicant's Proposed Service Area, Year 1

Patient Zip Code	City	County	CY2017 Population*	GMC Patients Treated	Cumulative Patients Treated	% by Zip Code	Cumulative %
37040	Clarksville	Montgomery	52,644	2,297	2,297	22.33%	22.33%
37042	Clarksville	Montgomery	77,853	1,453	3,750	14.12%	36.45%
37043	Clarksville	Montgomery	47,661	6,358	10,108	61.81%	98.26%
Total			178,158	10,108	10,108	98.26%	98.26%

**Estimated by interpolation of 2015 and 2019 population projections in Table Six-B on page 36 of the application.*

f. Please provide patient destination by ZIP Code in proposed ZIP Code service area for 2014 in the table below.

As stated in prior responses above, the applicant does not have access to patient destination data in the THA database, and cannot complete the table below. The applicant has only Gateway's own ED patient origin by zip code, which has already been submitted, both in the CON application and in this letter.

Utilization by Residents of Applicant's Proposed Service Area, 2014

Hospital ED	City/County	ED Visits by Resident Zip Code			Total
		37040	37042	37043	
Total					

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

12. Section C. Economic Feasibility Item 1 (Project Cost Chart) and Item 3 The chart is noted. Given the funding from cash reserves, please explain the $162,277 of interim financing budgeted for the project.

CHS / Community Health Systems, Inc. plans to use cash on hand to fund the costs of the project and notes that the costs would be incurred over the life of the project and therefore excess cash flow from operations will be available to replenish cash on hand. In the event that cash on hand does not cover the entire cost of the project, CHS / Community Health Systems, Inc. currently has $365 million of cash and in excess of $814 million of borrowing capacity under its $1,000 million revolving line of credit. The revolver is liquid in that funds can be made available on the same day, if necessary.

13. Section C, Economic Feasibility, Item 2 and Orderly Development Item 8 and 9

Please discuss how the following two settlements will impact the financial viability and cash flow of CHS and the funding of this project. In your response, please also provide a brief overview of the settlements.

- **The recent Medicare settlement of $98,000,000 to resolve allegations CHS overbilled Medicare and Medicaid.**
- **A New Mexico $75,000,000 million settlement to the federal government from CHS over a whistleblower suit that claimed it illegally donated money between 2000 and 2011 to New Mexico counties in return for higher Medicaid payments to cover the costs of indigent care will.**

If applicable, please disclose other settlements, judgments, or final orders entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than 5% ownership interest in the applicant. In addition, please also identify and explain any civil or criminal judgments for fraud or theft against any person or entity with more than 5% ownership interest in the project.

SUPPLEMENTAL #1
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2:40 pm

The settlement payments have already been fully funded and will have no impact on the ability to provide capital resources for the project.

The following settlement summaries are from the 10-Q Reports of Community Health Systems, Inc.

U.S. ex rel. Baker vs. Community Health Systems, Inc. (United States District Court for the District of New Mexico)

Our knowledge of this matter originated in early 2006 with correspondence from the Civil Division of the Department of Justice requesting documents in an investigation it was conducting involving the Company. The inquiry related to the way in which different state Medicaid programs apply to the federal government for matching or supplemental funds that are ultimately used to pay for a small portion of the services provided to Medicaid and indigent patients. These programs are referred to by different names, including "intergovernmental payments," "upper payment limit programs," and "Medicaid disproportionate share hospital payments." For approximately three years, we provided the Department of Justice with requested documents, met with its personnel on numerous occasions and otherwise cooperated in its investigation. During the course of the investigation, the Civil Division notified us that it believed that we and three of our New Mexico hospitals caused the State of New Mexico to submit improper claims for federal funds, in violation of the Federal False Claims Act. This investigation has culminated in the federal government's intervention in the referenced qui tam lawsuit, which alleges that our New Mexico hospitals "caused to be filed" false claims from the period of August 2000 through June 2011. Two of the Parent Company's subsidiaries are also defendants in this lawsuit. We have now settled this matter for $75 million, which was previously reserved. The reserve does not include the legal fees of the relator's counsel. A corporate integrity agreement will not be required.

Department of Justice Settlement – ED Short Stay Admissions. On August 4, 2014, we announced that we had entered into a civil settlement agreement with the U.S. Department of Justice, other federal agencies and identified relators that concluded previously announced investigations and litigation related to short stay admissions through emergency departments at certain of our affiliated hospitals. The settlement concluded the government's review into whether these 119 hospitals billed Medicare, Medicaid and TRICARE for certain inpatient admissions from January 2005 to December 2010 that the government contended should have been billed as outpatient or observation cases.

Under the terms of the settlement agreement, there was no finding of improper conduct by us or our affiliated hospitals, and we denied any wrongdoing. We have paid approximately $88 million in resolution of all federal government claims, including Medicare, TRICARE and the federal share of the Medicaid claims, and an additional approximately $1 million to the states for their portions of the Medicaid claims. The settlement also covered the dismissal of specified litigation.

Further, the settlement resolved the government's investigation into a hospital affiliated with us in Laredo, Texas. The government's review in Laredo centered on whether the hospital submitted claims for inpatient procedures that should have been billed as outpatient procedures as well as the financial relationship between the hospital and a member of its medical staff. The hospital has paid $9 million to resolve this investigation.

As part of the settlement, we entered into a five-year Corporation Integrity Agreement, or CIA, with the Office of Inspector General of the U.S. Department of Health and Human Services. The CIA will be incorporated into our existing and comprehensive compliance program. The CIA establishes general and specialized training requirements and mandates that we retain independent review organizations to review the adequacy of our claims for inpatient services furnished to federal health care program beneficiaries. The CIA also includes Laredo-specific reviews of physician financial relationships.

The settlement will also result in the unsealing and dismissal of qui tam actions filed in Illinois, Tennessee, North Carolina and Texas, as well as the previously unsealed case in Indiana. Two of these cases also name HMA as defendants and were partially unsealed in December 2013 when the government intervened in those and six other cases pending against HMA. Certain of the relators' claims for attorneys' fees remain to be resolved. We previously established a $102 million reserve to cover these settlements and related legal costs of which approximately $98 million has been paid as summarized above.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

14. Section C, Economic Feasibility, Item 4 (Historical Data Chart and Projected Data Chart)

a. There appears to be calculation errors in the years 2012-2014 (operating expenses) in the Historical Data Chart for Gateway Medical Center. Please revise and resubmit.

The revised page 51R is attached following this page. Its Management Fees were listed twice, but the formula counted them only once, so totals below were not affected. On the Itemized Notes, the formulas treated them correctly regardless of parentheses. So again, the final totals on this chart are unchanged.

b. Please provide a Historical Data Chart for Gateway's Emergency Department.
c. Please provide a Projected Data Chart for the total hospital.

They are attached following page 51R, after this page. The Historic Data Chart for the Gateway ED is labeled page 51a; the Projected Data Chart for the total hospital is labeled page 53a.

15. Section C, Economic Feasibility, Item 5
The table is noted. However, please provide the visits for CY2017 and CY 2018 that were omitted from the Table 9-B and submit a replacement page 55R for the application.

Attached after the financial statements that follow this page is a revised page 55R with those cases entered.

The applicant has also identified an inconsistency in main ED visits data projections in some tables. The projections in Table Four-C were correct; but they were not entered correctly in related tables. The following revised pages are submitted to address that.

- Page 41R, Table Eight-A
- Page 43R, Table Four-D
- Page 53R, Projected Data Chart, Consolidated ED

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

16. Section C, Economic Feasibility, Item 9

The participation of the proposed ED facility in state and federal programs is noted. However, please also provide the overall payor mix projected for both the main campus ED and the proposed satellite ED in Year 1 by completing the table below.

Applicant's Historical and Projected Payor Mix

Payor Source	Main ED Gross Operat'g Revenue $ 2014	As a % of Gross Operat'g Revenue 2014	Main ED Gross Operat'g Revenue $ Year 1	As a % of Gross Operat'g Revenue Year 1	Satellite ED Gross Operat'g Revenue $ Year 1	As a % of Gross Operat'g Revenue
Medicare	39,153,055	21.01%	40,741,723	21.01%	7,147,415	21.01%
TennCare	44,687,780	23.98%	46,501,025	23.98%	8,157,782	23.98%
Managed Care	37,624,949	20.19%	39,151,613	20.19%	6,868,458	20.19%
Commercial	715,601	0.38%	743,784	0.38%	130,484	0.38%
Self-Pay	31,162,179	16.72%	32,426,611	16.72%	5,688,675	16.72%
Other	33,011,634	17.71%	34,351,110	17.71%	6,026,295	17.71%
Total	186,355,198	100%	193,915,866	100%	34,019,109	100%

17. Section C, Economic Feasibility, Item 9

a. Please clarify if the applicant conducted a feasibility study of expanding the main ED and what that cost would be.

The applicant did not prepare a formal feasibility study because the on-campus expansion does not improve accessibility to emergency care for persons in more distant areas of Montgomery County.

However, the known costs of the current ED renovation at the main campus, and the advice of Gateway's architectural and engineering consultants, indicate that the cost of expanding the ED to reach 49 treatment rooms would be close to that of the satellite project--and in addition it would be unacceptably disruptive to the operation of the ED, as explained in response 5j above.

b. Please address the cost/benefit of having to transfer satellite ED patients by ambulance to the main ED vs. expanding the main ER and not having any ambulance expense.

This would be an extremely speculative exercise with respect to comparing costs. The applicant has not identified the full costs of disrupting and expanding its main ED. That would require a major architectural engagement, which is premature pending decision on a satellite facility.

What can be provided toward cost identification is the fact that at Gateway, approximately 9% of ED visits result in an admission. If that is applied to this project, then in Year Two its 10,596 visits may generate 954 ambulance transfers to an acute care hospital for admission. The applicant cannot identify what those transport charges would be, because not all patients will be transported to Gateway; some would choose Nashville hospitals where they have established caregivers.

The applicant has already described the benefits of the satellite project in many sections of the application and in these responses.

18. Section C, Orderly Development, Item 1.

a. Please define the Emergency Medical Treatment and Labor Act (EMTALA).

In 1986, Congress enacted the Emergency Medical Treatment & Labor Act (EMTALA) to ensure public access to emergency services regardless of ability to pay. Section 1867 of the Social Security Act imposes specific obligations on Medicare-participating hospitals that offer emergency services to provide a medical screening examination (MSE) when a request is made for examination or treatment for an emergency medical condition (EMC), including active labor, regardless of an individual's ability to pay. Hospitals are then required to provide stabilizing treatment for patients with EMCs. If a hospital is unable to stabilize a patient within its capability, or if the patient requests, an appropriate transfer should be implemented.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

b. Please indicate where emergency OB patients will be referred for treatment from the proposed satellite facility. Also, please clarify if the OB patients would be admitted directly to the receiving facility, or would need to admit through the receiving hospital's ED.

They will be transferred to the facility of their choice. Most will likely request transfer to Gateway Medical Center at Exit 4. There they will be admitted directly to the obstetrical unit on that floor; they would not be admitted through the Gateway ED.

19. Section C, Orderly Development, Item 3.

a. Review of the 2013 JAR revealed that the staffing reported for Gateway's main ED was 2 physicians, 1 nurse practitioner, 42 RNs, 6 LPNs and 7 clerical staff. Excluding physicians, please briefly explain the increases in the number of staff positions needed to staff the main ED in Year 1 of the project.

The staffing plan included in the application is accurate. The staffing figures in the 2013 JAR are inaccurate; Gateway will amend its 2013 JAR in the near future.

b. Please also complete the table below showing the staffing of the proposed satellite ED by shift.

Staff's table does not reflect Gateway's actual ED shift pattern. Gateway's projected table of staffing by shift is provided below.

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

Applicant's Projected Staffing of Proposed Satellite ED by Shift

Position	7A-3P	7A-7P	11A-11P	3P-9P	7P-7A
EMERGENCY MEDICINE PHYSICIAN		1			1
NURSE PRACTITIONER			1		
RN		3	1		3
ED TECHNICIAN		1	1		1
RADIOLOGY TECH				1	
CT TECH		1			1
ULTRASONOGRAPHER		1			1
MED TECH		1	1		1
EVS TECH	1				
MANAGER	1				
REGISTRAR		1	1		1
FINANCIAL COUNSELOR			1		
SECURITY GUARD			1		

20. Project Completion Chart

It appears the date listed for the signing of the construction contract is incorrect. If needed, please revise and resubmit the project completion chart.

The revised page 70R is attached to correct that typographical error.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn

John Wellborn
Consultant

SUPPLEMENTAL #1
July 27, 2015
2:40 pm

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

October 28, 2015

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	2	11-15
2. Construction documents approved by TDH	92	2-16
3. Construction contract signed	104	2-16
4. Building permit secured	121	3-16
5. Site preparation completed	136	4-16
6. Building construction commenced	166	5-16
7. Construction 40% complete	256	8-16
8. Construction 80% complete	316	10-16
9. Construction 100% complete	376	12-16
7210. * Issuance of license	405	12-16
11. *Initiation of service	406	1-17
12. Final architectural certifi466cation of payment	466	3-17
13. Final Project Report Form (532HF0055)	532	5-17

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT OF PUBLICATION

198

0000571469

Newspaper Leaf Chronicle

TEAR SHEET ATTACHED

State of Tennessee

Account Number NAS-00521901

Advertiser **GATEWAY MEDICAL CENTER (LEGAL)**

RE: NOI - GATEWAY MEDICAL EMERGENCY DEPT.

V Perry Sales Assistant for the above mentioned newspaper, hereby certify that the attached advertisement appeared in said newspaper on the following dates:

07/10/15

V Perry

Subscribed and sworn to before me this 10 day of July.

Lela Bates
Notary Public

LELA BATES
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF DAVIDSON

COMMISSION EXPIRES:
MAY 6, 2019

JUL 27 '15 9:22

EXECUTOR(S)
Attorney for the Estate:
[redacted]
[redacted] THIRD STREET
[redacted] TN 37040
Clerk: [redacted]
Insertion Dates: 7/10/15 & 7/17/15

0000550918
NOTICE OF ABANDONED VEHICLE SALE.

Notice is given to the owner, lien holders and other interested parties, the following vehicles: 2000 Lincoln Continental VIN 1LNHM97V7YY902422 will be sold at auction to highest bidder for cash at MCAR 372 N Riverside Dr. Clarksville, TN on 07/25/15 at 10:00 A.M. Seller reserves right to reject any bid.

Wanted:
A job where my ideas count.
Tell what you want in
the [redacted]

MEETING NOTICE

The July 2015 meeting of the Board of Commissioners for the Sandlapper Utility District has been rescheduled. The new date is July 16, 2015 at 7:00PM. The meeting will be held at the District's main office located at 108 Alloway Rd., Clarksville, TN.

0000550928
NOTICE OF FORECLOSURE SALE OF REAL ESTATE

On June 17, 2011, by Deed of Trust placed of record on June 23, 2011 at 10:24 a.m., in Official Record Book Volume 1389, Page 1417, in the office of the Register of Deeds for Montgomery County, Tennessee, (the "Deed of Trust"), Cathy Pennington (the "Mortgagor") conveyed to Jonathan R. Vinson, Trustee, (the "Trustee"), the hereinafter described real estate, to se-

Continued to next column.

the Deed of Trust or anyone claiming under or through the Mortgagor may have, all such rights and equities having been expressly waived in the Deed of Trust, the described real estate situated in Montgomery County, Tennessee as set out in the Deed of Trust.

Said sale will be held subject to (1) all accrued taxes; (2) all matters, terms and conditions set forth in Plat Book 5, Page 34, Plat 34, Register's Office for Montgomery County, Tennessee; (3) Judgment lien filed of record in Official Record Book Volume 1098, Page 2965, Register's Office for Montgomery County, Tennessee; (4) rights of tenants in possession under unrecorded leases, which would take priority to the Deed of Trust under which the above-described sale is conducted; (5) all

Continued to next column

identification will be governed by the Deed of Trust.

OTHER INTERESTED PARTIES: None

This the 7th day of July, 2015.

TRUSTEE:
JONATHAN R. VINSON
Jonathan R. Vinson
P.O. Box 686
Clarksville, Tennessee 37041-0686

INSERTION DATES:
July 10, 2015
July 17, 2015
July 24, 2015

0000550944
IN THE PROBATE COURT FOR HALE COUNTY, ALABAMA

IN RE:
The Estate of Harriet H. Rhodes, Case No.: 19-163, Deceased

NOTICE BY PUBLICATION

To: Lisa Johns

TAKE NOTICE that Letters of Administration

Continued to next column

Public Notices

Public Notices

Public Notices

Public Notices

NAS-0852190
NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Gateway Medical Center Satellite Emergency Department at Sango, owned and managed by Clarksville Health System, G.P., a Tennessee General Partnership, intends to file an application for a Certificate of Need for the construction and establishment of a satellite Emergency Department at Gateway Medical Center, to be operated under the license of Gateway Medical Center. The proposed new facility will have 8 treatment rooms providing Levels I through V emergency treatment services, and will include ancillary services including but not limited to medical lab, CT, X-Ray and ultrasound. Gateway Medical Center is located at 651 Dunlop Lane, Clarksville, Montgomery County, Tennessee 37040. The proposed new facility will be located on an undesignated site on the north side of Highway 76, approximately 1,500 feet east of Interstate 24, at exit 11, in Montgomery County. Gateway Medical Center is licensed as a general hospital by the Tennessee Department of Health, Board for Licensing Health Care Facilities. This project involves no new licensed inpatient beds, no new healthcare services being initiated, and no major medical equipment. The project cost is estimated at $11,800,000.

The anticipated date of filing the application is on or before JULY 15, 2015.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Burr & Forman, LLP, 511 Union Street, Suite 3200, Nashville, Tennessee 37219, 615-724-3247.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to T.C.A. § 68-11-1607(c)(1), (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

0000573078
NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:

NorthCrest Medical Center, Hospital owned by: NorthCrest Medical Center with an ownership type of nonprofit corporation and to be managed by Satellite ED, LLC intends to file an application for a Certificate of Need for the establishment of a satellite emergency department to be located at a currently unnamed street address with the closest cross streets being Gateway Plaza Boulevard and TN Highway 76, Clarksville, Montgomery County, Tennessee 37043. The project will be a satellite emergency department of NorthCrest Medical Center, an acute care hospital with 109 licensed beds. The cost of this project is expected to be less than $6,900,000. The satellite emergency department will have eight treatment rooms and will provide emergency diagnostic and treatment services. The project does not contain major medical equipment or initiate or discontinue any other health service or affect the hospital's licensed bed complement.

The anticipated date of filing the application is: July 15, 2015

The contact person for this project is Kim H. Looney, Esq., Attorney who may be reached at: Waller Lansden Dortch & Davis LLP, 511 Union Street, Suite 2700, Nashville, TN 37219 615 / 850-8722

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Supplemental #2
-Copy-

Gateway Medical Center
Emergency Department

CN1507-027

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

July 30, 2015

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application CN1507-027
Gateway Medical Center (Satellite Emergency Department)

Dear Mr. Earhart:

This letter responds to your July 29, 2015 second request for supplemental information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. **Section B, Project Description, Item I.**
a. The reason the applicant did not choose I 24, Exit 8 (TN237, Rossview Road) and Woodlawn, TN as a location for the satellite ER is noted. However, please provide traffic counts for Highway 79 in the Woodlawn area. In addition, please document the data source for the daily Highway 13, 48, and 79 traffic counts.

Traffic counts are Annual Average Daily Traffic (AADT) as reported by the Tennessee Department of Transportation. Specific data can be accessed online at https://www.tdot.tn.gov/APPLICATIONS/traffichistory. The latest data is for 2014. That is the source for the traffic counts submitted in the last supplemental responses, for Highways 13, 48, and 79. (Response 5d; page Three of Supplemental Responses dated July 27, 2015.)

As you can imagine, traffic counts are not available for every intersection, so you must examine the traffic counts for the stations surrounding the specific spot you're interested in.

For Woodlawn, traffic is lighter to the west: Station 102 on Highway 79 just west of Woodlawn shows traffic of 1,658 and Station 15 on Lylewood Road/233 just south of Highway 79 shows traffic of 3,766. To the east of Woodlawn, traffic is heavier: Station 205 on Highway 79 shows traffic of 10,030.

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

b. The following table for ED patient origin by zip code for CY 2014 for zip codes with patient origin over 0.15% is noted. However, it is noted the applicant omitted Zip Code 37042 (one of the targeted zip codes) and several other key zip codes. Please complete the following table. If a zip code does not meet the 0.15% threshold, please note so in the table.

ED Visits by Residents of Applicant's Proposed Service Area, 2014

Patient Zip Code	Patient Community	Patient County	Total Patients	Cumulative Patients	% by Zip Code	Cumulative %
37058	Dover	Stewart	966	966	1.52%	1.52%
37023	Big Rock	Stewart	362	1,328	0.57%	2.09%
37079	Indian Mound	Stewart	578	1,906	0.91%	3.00%
37040	Clarksville	Montgomery	17,547	19,453	27.55%	30.55%
37191	Woodlawn	Montgomery	1,010	20,463	1.59%	32.14%
37142	Palmyra	Montgomery	481	20,944	0.76%	32.90%
37171	Southside	Montgomery	263	21,207	0.41%	33.31%
37042	Clarksville	Montgomery	22,202	43,409	34.86%	68.17%
37043	Clarksville	Montgomery	9,716	53,125	15.25%	83.42%
37051	Cumberland Furnace	Montgomery	344	53,469	0.54%	83.96%
37052	Cunningham	Montgomery	581	54,050	0.91%	84.87%
42223	Fort Campbell, KY	Montgomery/ Christian	572	54,622	0.90%	85.77%
42262	Oak Grove, KY	Christian	1,216	55,838	1.91%	87.68%
42236	Herndon, KY	Christian	Below the 0.15% threshold			
42234	Guthrie, KY	Todd	559	56,397	0.88%	88.56%
37032	Cedar Hill	Robertson	115	56,512	0.18%	88.74%
37010	Port Royal /Adams	Montgomery /Robertson	498	57,010	0.78%	89.52%
Other			6,683	63,693	10.48%	100%
Total			63,693	63,693	100%	100%

Note: This table shows patients presenting, to be consistent with other data in the application. The patients treated, however, is the statistic used in Levels of Care tables in the application and supplemental responses because only treated patients are recorded according to levels of acuity.

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

c. The table for Gateway patients treated from 2014-2017 by level of care (*in accordance with definitions for Levels 1-V shown on page 58b of the application)* is noted. However, the total of 68,925 patients in Year One (2017) is different from the total of 68,590 for the same year in the following table on page 44 R. Please clarify.

The table submitted on page Nineteen of the July 27 Supplemental Responses was incorrect for the Main ED Year 1, making combined Year 1 inaccurate also. Page 44R Level 5 visits were off by one digit that year. Below is your Page Nineteen table corrected. A revised page 44R2 is attached following this page.

Gateway Medical Center ED Utilization by Level of Care

Level of Care	Main ED 2014	Main ED 2015	Main ED 2016	Main ED Year 1 2017	Satellite ED Year 1 2017	Combined Year 1 2017
Level I	17,294	16,828	17,249	15,028	2,652	17,680
Level II	17,001	15,320	15,703	13,681	2,414	16,095
Level III	21,259	27,506	28,193	24,564	4,334	28,898
Level IV	4,519	5,350	5,484	4,778	843	5,621
Level V	269	281	288	252	44	296
Totals	60,342	65,285	66,917	58,303	10,287	68,590

Note: This table shows patients treated, to be consistent with other data in the application. The patients presenting, however, is the statistic used in utilization tables in the application and supplemental responses because all presenting patients utilize staff and space resources of the ED.

2. Section C, Economic Feasibility, Item 4 (Historical Data Chart and Projected Data Chart)

a. The applicant has created a duplicative line for management fees for 2012-2014. Please note there are only lines 8.a and 8.b. Please refer to the HSDA application as a guide, remove the duplicative management fee totals, and resubmit a replacement historical data chart for Gateway Medical Center.

The revised Historical Data Chart, page 51R2, is attached after this page with the duplicative line removed.

Table Eight-B REVISED ON SUPPLEMENTALS: Gateway Medical Center Emergency Department
Patients Presenting 2012-2018 By Level of Acuity

	2012	2013	2014	2015	2016	Satellite Yr 1	Satellite Yr 2
Main ED						2017	2018
Level V	419	114	269	281	288	252	257
Level IV	5,305	5,431	4,519	5,350	5,484	4,778	4,893
Level III	29,304	27,864	21,259	27,506	28,193	24,564	25,156
Level II	12,892	13,788	17,001	15,320	15,703	13,681	14,011
Level I	15,513	15,175	17,294	16,828	17,249	15,028	15,391
Sub Total	**63,433**	**62,372**	**60,342**	**65,285**	**66,917**	**58,303**	**59,709**
Satellite ED							
Level V	-	-	-	-	-	44	46
Level IV	-	-	-	-	-	843	868
Level III	-	-	-	-	-	4,334	4,465
Level II	-	-	-	-	-	2,414	2,486
Level I	-	-	-	-	-	2,652	2,731
Sub Total	-	-	-	-	-	**10,287**	**10,596**
Combined ED's						**68,590**	**70,305**

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

b. It is noted Gateway Medical Center experienced net operating losses of ($2,878,023) in 2013 and ($7,593,856) in 2014, and is projected to also incur losses of ($5,789,931) in 2017 and ($3,163,603) in 2018. Please indicate what year the Gateway Medical Center expects to operate with net operating income. In addition, please indicate the rationale for a $10 million dollar expansion project while the applicant is operating with net losses.

Gateway Medical Center is operating in all the referenced years with a positive cash flow and sufficient EBIDTA, as shown in the Data Charts.

Per the historical chart submitted, Gateway Medical Center experienced a net operating gain of $2,935,373 in 2013, and a net operating loss of ($2,970,612) in 2014. The figures quoted in the above question include annual capital expenditures, which should not be considered in the calculation of operating gains/losses. Per industry standards, Gateway Medical Center measures financial operating performance using EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), which is a measure of operating cash flow. In the years 2012-2014, Gateway Medical Center recorded annual EBITDA of $26,781,697, $17,527,250, and $10,292,830 respectively. Gateway Medical Center is on track in 2015 to exceed 2014 results, and is expected to experience improved performance over the next five years. On your Projected Data Chart format, the hospital expects to show a positive net operating income by 2018.

The rationale for the proposed project is multifaceted, but the primary considerations are the current and future emergency services needs of the community and the capacity constraints of the current facility. The costs of the project will be contributed by the parent company without additional debt service by Gateway Medical Center. So Gateway's service to its community can proceed without adversely impacting the financial performance of the hospital.

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

c. The Historical Data Chart on page 51a for Gateway's Emergency Department is noted. However, please complete the following for D.9 Other Expenses.

Please see the following page.

d. The Projected Data Chart for Gateway Medical Center on page 53a is noted. However, please complete the following for B.4 Other Operating Revenue and D.9 Other Expenses.

Please see the following page.

3. **Section C, Economic Feasibility, Item 9**

The overall payor mix projected for both the main campus ED and the proposed satellite ED in Year 1 (2014) total of $186,355,198 is noted. However, please clarify the reason the total is different from the total of $189,850,319 on page 51A.

Gateway has corrected that variance in the table below.

Payor Source	Main ED Gross Operating Revenue $ 2014	As a % of Gross Operating Revenue 2014	Main ED Gross Operating Revenue $ Year 1	As a % of Gross Operating Revenue Year 1	Satellite ED Gross Operating Revenue $ Year 1	As a % of Gross Operating Revenue
Medicare	39,888,028	21.01%	40,741,723	21.01%	7,147,415	21.01%
TennCare	45,529,324	23.98%	46,501,025	23.98%	8,157,782	23.98%
Managed Care	38,339,750	20.19%	39,151,613	20.19%	6,868,458	20.19%
Commercial	723,815	0.38%	743,784	0.38%	130,484	0.38%
Self-Pay	31,740,674	16.72%	32,426,611	16.72%	5,688,675	16.72%
Other	33,628,728	17.71%	34,351,110	17.71%	6,026,295	17.71%
Total	189,850,319	100%	193,915,866	100%	34,019,109	100%

4. **Section C, Orderly Development Item 8 and 9**

It is unclear if the applicant disclosed the following:

- **Other settlements, judgments, or final orders entered in any state or country by a licensing agency or court against professional licenses held by the applicant or**
- **Any entities or persons with more than 5% ownership interest in the applicant. Identify and explain any civil or criminal judgements for fraud or theft against any person or entity with more than 5% ownership interest in the project.**

Please clarify the above.

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

The parent company's corporate legal office reports that there are no settlements, judgments, or final orders entered in any state or country by a licensing agency or court against the professional license held by applicant. Neither CHS / Community Health Systems, Inc. nor Community Health Systems, Inc. holds professional licenses. There are no civil or criminal judgments for fraud or theft against applicant or CHS / Community Health Systems, Inc. which would jeopardize or negatively impact the funding of the project.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn

John Wellborn
Consultant

SUPPLEMENTAL #2
July 30, 2015
4:01 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

GATEWAY MEDICAL CENTER

I, MARK A. MARSH, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

Mark Marsh
Signature/Title
CEO, GATEWAY MEDICAL CENTER

Sworn to and subscribed before me, a Notary Public, this the 30 day of July, 2015, witness my hand at office in the County of DAVIDSON, State of Tennessee.

Jamie R Gibbs
NOTARY PUBLIC

My commission expires 11/17/18.

HF-0043

Revised 7/02

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Leaf Chronicle, which is a newspaper of general circulation in Montgomery County, Tennessee, on or before July 10, 2015 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that Gateway Medical Center Satellite Emergency Department at Sango, owned and managed by Clarksville Health System, G.P., a Tennessee General Partnership, intends to file an application for a Certificate of Need for the construction and establishment of a satellite Emergency Department of Gateway Medical Center, to be operated under the license of Gateway Medical Center. The proposed new facility will have 8 treatment rooms providing Levels I through V emergency treatment services, and will include ancillary services including but not limited to medical lab, CT, X-Ray and ultra-sound. Gateway Medical Center is located at 651 Dunlop Lane, Clarksville, Montgomery County, Tennessee 37040. The proposed new facility will be located on an unaddressed site on the north side of Highway 76, approximately 1,400 feet east of Interstate 24, at Exit 11, in Montgomery County. Gateway Medical Center is licensed as a general hospital by the Tennessee Department of Health, Board for Licensing Health Care Facilities. This project involves no new licensed inpatient beds, no new healthcare services being initiated, and no major medical equipment. The project cost is estimated at $11,000,000.

The anticipated date of filing the application is on or before July 15, 2015.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Burr & Forman, LLP, 511 Union Street, Suite 2300, Nashville, Tennessee 37219, 615-724-3247, jtaylor@burr.com.

Jerry W. Taylor
Signature
by JW with permission

7-7-15
Date

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The published Letter of Intent contains the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

==========

CITY OF CLARKSVILLE
MAYOR KIM MCMILLAN

City Hall
One Public Square
Clarksville, TN 37040

OFFICE 931.645.7444
FAX 931.552.7479
kim.mcmillan@cityofclarksville.com

October 15, 2015

Ms. Melanie M. Hill
Executive Director
Tennessee Heath Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Dear Ms. Hill:

I am writing in support of Gateway Medical Center's application to build a new satellite emergency department in the Sango area of Clarksville/Montgomery County.

The site chosen for the new ED location is in an area that is seeing rapid growth and, in fact, work is currently being conducted to make accessibility and travel in the area easier. As you may know, Clarksville is the 5th fastest growing community in the United States and Gateway's success in serving more than 63,000 patients last year attests to its ability and importance in our community. With the increase we are experiencing in population and visitors, a new ED facility is even more important.

I believe that one of the reasons Gateway has been so successful to date is that the team at Gateway - the administration, practitioners, staff and other employees - understand the unique needs of our diverse city. Clarksville's diversity is based on every metric: age, race, religion, ethnicity, education and economic status. The Gateway administration and medical providers have very close ties with other facilities in our community as well. The treatment, follow-up and any necessary ongoing care in Clarksville is seamless because of Gateway's professionalism and dedication to our community.

Vitally important is Gateway's commitment to serving everyone in our community who needs medically necessary emergency care regardless of the patient's ability to pay. Clarksville/Montgomery County has been designated as a medically underserved county by the U.S. Department of Health and Human Services. The service area for the proposed satellite ED includes a significant percentage of patients who are covered

under government programs or who lack insurance altogether. The most recent statistics I have seen are that the new facility will provide care in an area where 21% of the population is covered by Medicare, 24% by Medicaid/TennCare and 17% are uninsured (self-pay). The proposed ED will help to address the need for medical care by these patients while expanding Gateway's ongoing efforts to offer both primary care and provide additional emergency care by improving access to high quality, comprehensive and coordinated care in Clarksville and the surrounding areas.

As Mayor, the safety and health of our citizens is my primary concern; having said that, this proposed ED will also have far-reaching positive impact on our community in other ways. It is estimated that thirty new full-time positions will be created and in addition to these jobs, we know that this kind of facility can encourage additional new businesses to locate in the immediate area.

There are many reasons I support the new Gateway ED and I have outlined a few of them in this letter. The bottom line is that I want what's best for Clarksville and I believe this proposed facility provides the best option, the best location and, most importantly, the best care. I wholeheartedly support Gateways proposal and I appreciate the role the hospital already plays in our community.
Thank you very much for your consideration.

Sincerely,

Kim McMillan

Kim McMillan
City Mayor

JOEL WALLACE
CITY COUNCIL | WARD 9

THE CITY OF CLARKSVILLE
TENNESSEE'S TOP SPOT

September 29, 2015

Ms. Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, Tennessee 37243

Dear Ms. Hill:

I write in support of Gateway Medical Center's application to provide further emergency department services in the Clarksville area.

Due to rapid population growth in Clarksville-Montgomery County, Tennessee, there is a greater demand for emergency department services in our community. The Sango area in which Gateway Medical Center seeks to locate their new emergency department is uniquely situated in an area of our community that I believe to be underserved and/or some distance away from any other emergency department services. As you probably know, Montgomery County has been designated as a medically underserved county by the U.S. Department of Health and Human Services.

Because Gateway Medical Center has established facilities in our community, to include a full-service hospital, certain synergies exist that can provide benefits to emergency department patients. This includes the close location of the full-service hospital and quick access to patient records through the hospital's electronic medical record system.

I appreciate your attention to my letter. If I can provide you with any further information, please do not hesitate to contact me.

Sincerely,

Joel Wallace
Clarksville City Council, Ward 9
308 South Second Street
Clarksville, Tennessee 37040
(931) 552-1480

Clarksville
MONTGOMERY COUNTY, TN
ECONOMIC DEVELOPMENT COUNCIL
Clarksville-Montgomery County Convention & Visitors Bureau • Clarksville Area Chamber of Commerce
Clarksville-Montgomery County Industrial Development Board

October 2, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Dear Ms. Hill:

On behalf of the Clarksville-Montgomery County Economic Development Council, I am writing to express my support for Gateway Medical Center's proposed satellite emergency services department in the Sango area of Montgomery County.

For Clarksville-Montgomery County to remain a top choice for industrial relocation and expansion, it's critical that services keep pace with demand – including but not limited to medical care, education and infrastructure. A new emergency department is consistent with the vision and strategy to expand critical services throughout our area.

Gateway Medical Center currently has one of the busiest emergency departments in the state. In a county already designated as medically underserved by the U.S. Department of Health and Human Services, our long-range economic development strategies can be at a disadvantage if actions are not taken to ease the burden on our existing emergency department and expand access to healthcare for all current and future residents.

Gateway Medical Center has led the charge to provide additional emergency services capacity and access points in our community, and we fully support their initiative.

Sincerely,

Cal Wray
Executive Director
Clarksville-Montgomery County Economic Development Council

Clarksville
MONTGOMERY COUNTY, TN
ECONOMIC DEVELOPMENT COUNCIL
Clarksville-Montgomery County Convention & Visitors Bureau • Clarksville Area Chamber of Commerce
Clarksville-Montgomery County Industrial Development Board

October 9, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Dear Ms. Hill:

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

The Clarksville Area Chamber of Commerce is an advocate of opportunity and growth for our members and other organizations who strive to achieve and maintain successful business ventures.

We are supportive of the potential opportunities created by the plans for Gateway Medical Center to construct a new satellite emergency department located on Highway 76, just east of I-24 near Exit 11.

Clarksville is the fastest growing city in Tennessee, 2nd fastest growing MSA in the country, and the 5th fastest growing city in the country. Naturally, the population growth has increased demand for services in Gateway's emergency department. The proposed site will provide an additional access point for patients needing emergency services.

Construction of a new satellite emergency department will have a positive economic impact on the community, creating construction and related jobs. Upon completion, the facility will create new jobs and attract new businesses to the immediate area. Gateway estimates that more than 30 new permanent full-time positions will be required to staff the facility in the first year of operation. The hospital generates more than $70 million in economic benefit to the local community, in salaries, benefits, taxes and capital fund reinvestment.

Gateway Medical Center is a vital partner of the Clarksville-Montgomery County community and provides significant benefits to our community's residents.

Sincerely,

Melinda Shepard

Melinda Shepard
Executive Director
Clarksville Area Chamber of Commerce

cmcss The Defining Difference | Clarksville–Montgomery County School System
Director's Office

Dr. B.J. Worthington
Director of Schools
621 Gracey Avenue
Clarksville, TN 37040
Phone: 931.920.7808
bj.worthington@cmcss.net

October 2, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and Developmental Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

RE: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Ms. Hill:

This letter is in support of the construction of an Emergency Gateway Medical Center construction at Exit 11 in Montgomery County. The growth of this community, coupled with patient load already being experienced at the current emergency room, make it the perfect location. The health support and jobs it would bring to this community would positively benefit the area.

I urge you to give Gateway and Montgomery County careful consideration for this project.

Sincerely,

B.J. Worthington
Director of Schools

GATEWAY
MEDICAL CENTER

October 15, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Dear Ms. Hill,

The Medical Executive Committee of Gateway Medical Center writes in support of the Hospital's efforts to build a satellite emergency department in the Sango area of our city.

We know first-hand the dedication of our hospital's leadership to continually improve quality and access to medical care in our community – evident in several new or enhanced programs including neurological surgery, cardiothoracic surgery and joint replacements. The desire to expand its emergency services falls in line with this mission.

We know first-hand how the growing population and subsequent increasing emergency volume creates challenges within the confines of our main hospital. Last year alone the Emergency Room handled more than 63,000 patient visits, which ranks it among the busiest EDs in Tennessee. Patient visits already exceed the generally accepted industry standard of 1,500 per bed, per year.

We know first-hand the unique needs of our community and trust that the hospital's close proximity to the proposed site, the seamless transfer of patient records and access to more complex care will be crucial in the success of the free-standing facility.

This MEC has longevity at Gateway and lives and practices within our community. It is our desire to see the realization of a Gateway Medical Center Satellite ED, and we thank you for your thoughtful consideration of this matter.

Sincerely,

Dr. Christopher Lucas, Chairperson, Chief of Staff
Dr. Duncan McKellar - Chief of Staff Elect
Dr. Ashley Walker, Vice Chief of Pediatrics
Dr. Daniel Starnes, Chief of Radiology
Dr. Ray Hall – Immediate Past Chief of Staff

Gateway Medical Center Medical Executive Committee
In support of Gateway Medical Center Satellite Emergency Department
October 15, 2015

Signatures

Christopher Lucas, DO, COS

Duncan McKellar

Ashley Walker

Dan Starnes

Ray Hall

MONTGOMERY COUNTY

EMS

EMERGENCY MEDICAL SERVICE

Jimmie W. Edwards, MS, RN, EMT-P

DIRECTOR/CHIEF

October 28th, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Montgomery County Emergency Medical Services is a government third service system designated as the primary 911 response agency owned and operated by Montgomery County Government. Not only does our organization provide primary 911 responses, but we are also responsible for all specialty and advanced life support facility transfers.

Our organization believes that it would be in the best interests of the community for a satellite emergency department to be located near the Interstate 24 corridor at or near exit 11. We also believe that it would be in our best interests for the relationship to remain a part of our current health care partnership with Gateway Medical Center.

The prospect of building a full service emergency department in the Sango area could significantly improve the emergent health care access in our busiest rural district.

The interstate 24 exit 11 location could work to improve our overall turn-around-times for five of our busier EMS zones. The side effect of an Emergency Department at that location will work to improve ambulance accessibility and emergency preparedness.

We support the proximity of Gateway's full service facility over other prospects. In this case the distance (mileage) between facilities (Springfield) would create an increase in health care costs to transport over a greater distance. Ambulances removed from the geographical boundaries of

Montgomery County over longer periods of time create a burden on our EMS system and a negative impact on our overall emergency responsiveness and preparedness.

If a nine bed emergency department were to have fifty ED visits daily, and if projected inpatient (or admission into the hospital) percentages remain consistent with our current admission percentages, then we could see our out of county transports skyrocket.

Lastly, our relationship with Gateway Medical Center's Emergency Department and its leadership is exceptional and proves to work well within our Health Care Community. Our ability to work well together is consistent with our mission statement: "Montgomery County Emergency Medical Services will deliver exceptional emergency medical patient care." Montgomery County EMS will work with its partners, including Gateway Medical Center, to assure we meet our mission.

Respectfully,

Jimmie Edwards, Chief of EMS

Montgomery County Government

P.O. Box 368
Clarksville, TN 37041-0368

October 4th, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deadrick Street
Nashville, Tn 37243

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Dear Ms. Hill:

I am writing about the efforts to build a new satellite emergency department in Montgomery County near exit 11 on Interstate 24. A satellite facility should be prepared to handle most emergency needs, but the proximity to a full service hospital is necessary for more advanced levels of care.

Gateway Medical Center is just eight miles away. The proposed satellite emergency department if operated by Gateway would have access to records and test results immediately upon arrival if transport is needed. Gateway Medical Center efforts to expand emergency services will improve access to high quality, comprehensive and coordinated care in Montgomery County.

Population growth has created increased demand for services in Gateway's emergency department. The emergency department was one of the busiest in the state last year.

I encourage you to approve Gateway Medical Center to build a new satellite emergency department in the area near exit 11 of Montgomery County.

Sincerely,
Charles Keene

Charles Keene
County Commissioner, District 2

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
MONTGOMERY COUNTY
330 PAGEANT LANE
CLARKSVILLE, TN 37040
PHONE: 931-648-5747 FAX: 931-645-9019

October 6, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Re: Emergency Department of Gateway Medical Center

For several years, Clarksville has been ranked as the 5th largest city in Tennessee. In the last ten years, Montgomery County has seen a population growth that ranks it as one of the fastest growing counties in Tennessee. This growth has created an increased demand for emergency department services on our community.

In addition to the growth in population, Montgomery County has seen a great number of patients that use the hospital's emergency department for ambulatory care. According to the 2015 County Health Rankings, Montgomery County ranks 46th out of 95 counties in the ratio of primary care physicians to its population and ranks 38th in preventable hospital stays.

Last year, Gateway's Emergency Department served more than 63,000 patients, making it one of the busiest in the state. Hospital services are an important part of population health. The proposed satellite emergency department will improve our community's capacity for emergency services and our community's health.

Sincerely,

Joey Smith

Joey Smith
Public Health Director
Montgomery County Health Department

Montgomery County Government

Jim Durrett
County Mayor

1 Millennium Plaza, Suite 205
P.O. Box 368
Clarksville, Tennessee 37041-0368

Phone: (931) 648-5787
Fax: (931) 553-5177
mayordurrett@mcgtn.net

September 28, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville, TN 37243

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Dear Ms. Hill:

On behalf of Montgomery County, I extend this letter of support for the expansion of emergency services in our community with the building of a new satellite emergency department in the Sango area of Montgomery County, near Exit 11.

Montgomery County is one of the fastest growing counties in Tennessee, and because of that growth the demand for emergency services has increased. With Gateway being one of the busiest emergency departments in the state, the proposed satellite emergency department would provide additional emergency services for patients in need. While the satellite facility will be prepared to handle most emergency needs, if more complex care is required, Gateway is a quick eight miles away. Test results and records could be available immediately through Gateway's electronic medical record system to ensure a smooth transition and continuity of care.

The service area for the proposed satellite emergency department includes a significant number of patients who are covered under government programs or who lack insurance altogether. Gateway provides emergency care for patients regardless of their ability to pay. Gateway Medical Center is this community's hometown hospital and understands the unique needs of the residents it serves. Therefore, the expansion through this project will only improve access to existing high quality, comprehensive and coordinated care in Montgomery County and surrounding areas.

Further, upon completion, the facility will create new jobs and attract new businesses to the immediate area. It is estimated to create more than 30 new permanent full time positions required to operate the facility in the first year of operation.

Your favorable consideration and support of this project would be greatly appreciated. If I can be of any further help or answer any questions you might have, please do not hesitate to contact me.

Sincerely,

Jim Durrett
Montgomery County Mayor

October 5, 2015

Office of the President

Ms. Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick Street
Nashville TN 37243

Re: Emergency Department of Gateway Medical Center
Project No. CN1507-027

Dear Ms. Hill,

I am pleased to support the efforts of Gateway Medical Center to build a new satellite emergency department in Montgomery County near exit 11 of Interstate 24.

Approval of the proposed satellite emergency department will improve area residents' access to quality emergency healthcare services by physically locating an additional access point in an area that is easily accessible to many current and future residents of Montgomery County and the surrounding region. It will also provide additional capacity for Gateway's existing emergency department, which served more than 63,000 patients last year, making it one of the busiest emergency departments in the state. Sufficient capacity and access to emergency healthcare services are key to our University community and area residents feeling safe and supported.

While providing improved access to emergency healthcare is the primary focus of Gateway Medical Center's desire to build a new satellite emergency department, other important benefits to the local community associated with this initiative include economic stimulus through the creation of construction jobs during the building of the facility and permanent full time healthcare positions established when the facility begins operations. In addition, the increased access to healthcare will be viewed favorably when industry leaders consider whether to locate their business operations in the Clarksville-Montgomery County area.

Please let me know if I can provide any additional information.

Sincerely,

Alisa White
President

usbank

All of us serving you

Executive Offices
1816 Madison St.
Clarksville, TN 37043

October 2, 2015

Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, Ninth Floor
502 Deaderick St
Nashville, TN 37243

Re: Emergency Dept of Gateway Medical Ctr – Project No CN1507-027

Dear Ms. Hill:

I am writing this letter in support of our local Hospital – Gateway Medical Center – and its request to build a new satellite emergency department (ED) in my community, specifically around Exit 11 in Sango. This hospital serves a growing community – one of the fastest growing counties in Tennessee, and the current ED served over 63,000 patients last year, which makes it one of the busiest in the state.

This facility will provide both construction employment as well as permanent jobs within the facility, all of which help economic development in the area. In addition, this new location will provide better accessibility for medical care for the increasing population who are in the central and southern Montgomery County areas.

Gateway has been our hometown hospital for years and is uniquely qualified to provide the best medical care for our local residents. I appreciate your consideration and approval of this new ED as it will have a positive impact to our community.

Sincerely,

Steve Kemmer

US Bank Community President

931-905-6117

waller

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, TN 37219-8966

615.244.6380 main
615.244.6804 fax
wallerlaw.com

Kim Harvey Looney
615.850.8722 direct
kim.looney@wallerlaw.com

October 9, 2015

VIA HAND DELIVERY

Melanie Hill
Health Services and Development Agency
Andrew Jackson Building
9th Floor
502 Deaderick Street
Nashville, TN

Re: Gateway Medical Center - CN1507-027
Satellite Emergency Department

Dear Melanie:

This is to provide official notice that our client, NorthCrest Medical Center, wishes to oppose the application of Gateway Medical Center to establish a satellite emergency department in Clarksville (Montgomery County). This application will be heard through Simultaneous Review at the October meeting as NorthCrest Medical Center has filed an application for a Certificate of Need to establish a satellite emergency department in Montgomery County.

NorthCrest Medical Center respectfully requests that the HSDA deny this request. If you have any questions, please call me at 615-850-8722 or email me at kim.looney@wallerlaw.com.

Sincerely,

Kim Harvey Looney

KHL:lag
cc: Jerry W. Taylor (for Gateway Medical Center)
Randy Davis (NorthCrest Medical Center)

CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF POLICY, PLANNING AND ASSESSMENT
615-741-1954

DATE: September 31, 2015

APPLICANT: Emergency Department of Gateway Medical Center
Unaddressed site on Highway 76
Clarksville, Tennessee 37040

CN1507-027

CONTACT PERSON: Jerry Taylor, Esquire
Burr and Furman
501 Union Street, Suite 2300
Nashville, TN 37219

COST: $10,675,979

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:
The applicant, Gateway Medical Center Satellite Emergency Department at Sango, owned and managed by Clarksville Health System, G.P., a Tennessee General Partnership, seeks Certificate of Need (CON) approval for the construction and establishment of a satellite Emergency Department (ED) at Gateway Medical Center, to be operated under the license of Gateway Medical Center. The facility will have 8 treatment rooms providing Levels I through V emergency treatment services, and will include ancillary service including but not limited to medical lab, CT, X-ray, and ultra-sound. Gateway Medical Center is located at 651 Dunlap Lane, Clarksville, Montgomery County, Tennessee 37040. The proposed new facility will be located on an unaddressed site on the north side of Interstate 24, at Exit 11, in Montgomery County. The project involves no major medical equipment, no new inpatient beds, and no new healthcare services.

The new ED will consist of 12,500 square feet of new construction at a cost of $405 per square foot. This is higher than the 3rd Quartile average cost recorded by HSDA.

Clarksville Health System, G.P., d/b/a Gateways Medical Center is 20% owned by GHS holdings, LLC and 80% owned by Clarksville Holdings LLC. Attachment A.4 contains details of on the Tennessee holdings and an organizational chart.

The total project cost is $10,700,000 and will be funded through cash reserves as documented in a letter from the Senior Vice President, Finance, and Treasurer in Attachment C, Economic Feasibility-2.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan.*

NEED:
The applicant's service area is Montgomery and Stewart Counties in Tennessee and Christian County in Kentucky.

Montgomery County accounts for 83.1% of all emergency visits; and Christian and Stewart counties account for 7.5% of all visits.

County	2015 Population	2019 Population	% of Increase/ (Decrease)
Montgomery	196,720	216,612	10.2%
Stewart	13,910	14,313	2.9%
Total	**210,630**	**230,925**	**9.6%**

Tennessee Population Projections 2000-2020, 2015 Revised UTCBER, Tennessee Department of Health

Gateway Medical Center is one of two providers of emergency care in Montgomery and Robertson Counties. Gateway estimates their 41 treatment rooms will serve more than 65,000 patients in 2015, making it the 9th busiest ED in Tennessee. The applicant estimates they will be operating at 1,632 visits per treatment room by years end. Gateway estimates that by the end of the decade, they will exceed 1,800 visits per treatment room. The applicant reports they estimate 49 total beds are needed to effectively serve the patients in the community. The 49 beds will enable Gateway to keep emergency room visits to a manageable 1,500 to 1,600 annual visits per room.

This project is part of a broad plan to increase the efficiency of the emergency department and make those services more accessible. The applicant wants to add this new free standing satellite ED at an interstate exit 8.4 miles from the main hospital. Gateway believes doing so will increase the accessibility for people who live or travel through the central and southeast sections of Montgomery County. This project essentiality has two objectives; provide additional capacity to address the overcrowding of the main campus ED and provide access to those residents living in the zip codes of 37040, 37043, and 37042. Many parts of these zip codes are closer to Exit 11 then Exit 4 where the main hospital is located. According to the applicant, 61% or 49,465 utilized Gateway Medical Center ED at Exit 4.

Gateway has estimated that residents of these zip codes made 81,572 total visits to emergency rooms in and outside of Tennessee. Gateway believes they have ample utilization from the main hospital to support the satellite from its main campus. Gateway states they have almost 50,000 visits from the three zip codes that the satellite could serve. With the number of visits leaving the current zip codes to receive service, some of these will likely go to the satellite location at Exit 11 due to the closer location.

Gateway Medical Center states the benefits of this program will include the reduction of non-emergent visit to the ER by providing more access to physician care at the numerous physician offices and emergent care centers; and provide quicker access to life-saving ED care with true emergent care. The applicant is focusing primarily of the latter goal of quicker access for true emergent patients in the primary zip codes but also those residents who travel Interstate 24.

Gateway has projected 10,287 visits to the satellite ED in year one and 10,596 visits in year two. The main hospital ED visits are projected to

ER Patient Visits by Facility/Service Area Zip Codes, 2013

Hospital	37017	37010	37040	37043	37052	37142	37071	Total
Gateway Medical Center	503	111	15,699	8,135	460	434	221	25,563
NorthCrest	487	1,302	186	141	7	4	0	2,127
Total ER Visits to a Facility in or out of the Service Area	**1,162**	**1,782**	**17,455**	**9,733**	**760**	**717**	**385**	**31,984**

Tennessee Department of Health, Hospital Discharge Data

Utilization 2011-2013

	ER Rooms	2011 Presented	2011 Treated	2012 Presented	2012 Treated	2013 Presented	2013 Treated
Gateway Medical Center	40	61,477	61,296	66,288	65,055	63,996	63,561
NorthCrest Medical Center	18	31,693	31,071	**	**	28,229*	28,229*

Joint Annual Reports of Hospitals, 2011, 2012, 2013, Tennessee Department of Health, Division of Policy, Planning, and Assessment
*NorthCrest submitted a corrected JAR for 2013 but did not provide number of patients who presented.
**NorthCrest did not report visits or number presented in 2012.

The following chart illustrates the 2013 number of patients that presented at each facility per treatment room.

2013 **Emergency Room Utilization**

Facility	ER Room	2013 Total	Average Per Room
Gateway Medical Center	40	63,561	1,589
NorthCrest Medical Center	18	28,229	1,568

Joint Annual Reports of Hospitals, 2011, 2012, 2013, Tennessee Department of Health, Division of Policy,

2013 Service Area Acute Care Hospital Licensed and Staffed Bed Occupancy

Facility	Licensed Beds	Staffed Beds	Licensed Occupancy	Staffed Occupancy
Gateway Medical Center	270	220	37.1%	45.6%
NorthCrest Medical Center	109	66	35.0%	57.8%

Source: *Joint Annual Report of Hospitals 2013,* Division of Health Statistics, Tennessee Department of Health

TENNCARE/MEDICARE ACCESS:
Gateway Medical Center participates in the Medicare and TennCare programs. The applicant contracts with AmeriGroup, United Healthcare Community Plan, TennCare Select, and Kentucky Medicaid.

Gateway Satellite ED Year One Revenue Projections

TennCare Percentage	TennCare Revenue	Medicare Percentage	Medicare Revenue
23.98%	$8,157,782	21.01%	$7,147,415

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:
The Department of Health, Division of Policy, Planning, and Assessment have reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and if the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Costs Chart is located on page 47 of the application. The total project cost is $10,700,000.

Historical Data Chart: The Historical Data Chart is located for Gateway Medical Center is located in Supplemental 2 51R. The applicant reported 11,248, 9,804, and 9,830 admissions in 2012, 2013, and 2014, with net operating revenues of $3,459,748, ($2,878,023), and ($7,593,856) each year, respectively.

The Historical Data Chart for Gateway Medical Center Emergency Department is located in Supplemental 1, page 51a. The applicant reported 66,288, 63,996, and 63,693 visits in

2012, 2013, and 2014 with net operating revenues of $10,724,616, $10,954,953, and $11,303,368 each year, respectively.

Projected Data Chart: The Projected Data Chart for Gateway Medical Center is located in Supplemental 1, page 53a. The applicant projects 10,752 and 11,075 admissions in 2017 and 11,075 admissions in 2018 with net operating revenues of ($5,789,931) and ($3,163,603) each year respectively.

The Projected Data Chart for Gateway Medical Center Emergency Department Consolidated is located in Supplemental 1, page 53R. The applicant projected 68,590 admissions in year one and 70,305 admissions in year two with net operating revenues of $12,076,164 and $13,450,850 each year, respectively.

The projected Data Chart for the Satellite Emergency Department is located on page 52 of the application. Gateway projects 10,287 and 10,597 in years one and two with net operating revenues of $470,883 and $390,349 each year, respectively.

The applicant provided the average charges, deductions, net charge, and net operating income for Gateway Emergency Department Satellite below.

	CY2017	**CY2018**
Visits	10,287	10,596
Average Gross Charge Per Visit	$3,307	$3,439
Average Deduction per Visit	$2,885	$$3,000
Average Net Charge (Net Operating Revenue) per Visit	$422	$439
Average Net Operating Income After Expenses, per Visit	$46	$37

The applicant provided the average charges, deductions, net charge, and net operating income for Gateway Emergency Department Consolidated below.

	CY2017	**CY2018**
Visits	68,590	70,305
Average Gross Charge Per Visit	$3,307	$3,439
Average Deduction per Visit	$2,885	$$3,000
Average Net Charge (Net Operating Revenue) per Visit	$422	$439
Average Net Operating Income After Expenses, per Visit	$176	$191

Gateway considered expanding its present campus but rejected it would be disruptive to their day to day operations. Secondly, on-site construction would not improve accessibility for the residents and travelers in the central and southern sections of Montgomery County.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:
Gateway Medical Center is a joint venture partner with Vanderbilt in the Vanderbilt-Gateway Cancer Center, G.P. in Clarksville. The joint venter is with local physicians in an outpatient diagnostics facility, Clarksville Imaging Center, LLC.

The applicant states the positive effects on the healthcare system will be a shortened time for emergency patients to access and care; shorter drive times to the site of emergency care; and Avoiding increased wait times at the main campus ED.

The impact on other providers will be minimal. Gateway has more than enough visits to meet utilization projections at both the main ED and the satellite ED. Furthermore, the applicant states this is a rapidly growing area and should not affect other hospital EDs without increasing market share. According to the applicant, the satellite allows Gateway to deliver its projected emergency care at two locations, and continue to serve its historic market without increasing patient wait times.

The applicant projects 49.6 FTEs and lists those along with current main hospital FTEs on page 65 of the application. In addition, the applicant provides staff by shift in Supplemental 1.

Gateway participates in health professional training contracts with several institutions, providing training rotations currently fir approximately 288 students per year.

The applicant has two settlements cases with the Federal Government, one for $98,000,000 to resolve allegations of overbilling Medicare and Medicaid.

The second is Medicare settlement $75,000,000 over a whistleblower suit that claim they illegally donated money between 200 and 2011 in return for higher Medicaid payments to cover payments to cover the higher cost of indigent care.

Gateway is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by Joint Commission.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan.*

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

   Not applicable.

2. For relocation or replacement of an existing licensed health care institution:

   a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

      Not applicable.

   b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

      Not applicable.

3. For renovation or expansions of an existing licensed health care institution:

   a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

      Gateway has estimated residents of these zip codes made 81,572 total visits to

emergency rooms in and outside of Tennessee. Gateway believes they have ample utilization from the main hospital campus to support the satellite. Gateway reports they have almost 50,000 visits from the three zip codes that the satellite could serve. With the number of visits leaving the current zip codes to receive service, some of these will likely go to the satellite location at Exit 11 due to its closer location.

b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Not applicable.